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City and County of San Francisco
Meeting Minutes
Finance and Labor Committee

Members: Supervisors Leland Yee, Sue Bierman, Tom Ammiano

Clerk: Mary Red

Wednesday, May 03, 2000 | **10:00 AM** | **City Hall, Room 263**

Regular Meeting

Members Present: Leland Y. Yee, Sue Bierman, Tom Ammiano.

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MAY 10 2000

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Meeting Convened

The meeting convened at 10:12 a.m.

000451 **[Bessie Carmichael School]**

Supervisor Yee

Hearing to assess the cost, scope and progress of rebuilding the Bessie Carmichael School and the community park surrounding the school site.

3/13/00, RECEIVED AND ASSIGNED to Finance and Labor Committee.

Heard in Committee. Speakers: Supervisor Yee; Supervisor Ammiano; Nancy Sarrage, Principal, Bessie Carmichael School; Luz de Leon, Filipino Resource Center; Barbara Washington; Paula Baum, Nurse, SFUSD; Richard White, PTA; McCanvas, Coordinator, Healthy Start; Judy Carman, PTA; Bernadette Borja Sy, Filipino American Development Foundation; Patrice Johnson, South of Market Childcare; Linda Davis, Acting Superintendent, SFUSD; Cheryl Gaston; Elizabeth Goldstein, Recreation and Park Department; Bob McDonald, Recreation and Park Department.

CONTINUED TO CALL OF THE CHAIR by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

000738 **[Reserved Funds, Department of Children, Youth and Their Families]**

Hearing to consider release of reserved funds, Department of Children, Youth and Their Families, (Fiscal Year 1999-2000 Budget), in the amount of $350,000 to implement the Unified School District School Based-Health Pilot Program at Lincoln and Galileo High Schools. (Mayor)

4/21/00, RECEIVED AND ASSIGNED to Finance and Labor Committee.

Heard in Committee. Speakers: Ken Bruce, Budget Analyst; Supervisor Yee; Deborah Alvarez, Director, Department of Children, Youth and Their Families; Jimmy Loyce, Deputy Director, Department of Public Health (DPH); Sally Chow, SFUSD; Trish Bascom, SFUSD; Sai-Ling Chang-Sew, DPH; Taj James, Colman Advocates; Erin McGrath, Mayor's Budget Office; Steven Currier, Excelsior Youth Center; Ally Winehouse, Teacher, Lincoln High School; Janet Michaelson, Supervisor Katz's Aide.

APPROVED AND FILED by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

000524 **[Authorizing expenditure of funds estimated at $4,210,000 for emergency repair of San Joaquin Pipeline No. 3]**

Resolution authorizing expenditure of funds for emergency repair of corrosion in San Joaquin Pipeline No. 3 of the Hetch Hetchy Aqueduct. (Public Utilities Commission)

(Fiscal impact.)

3/22/00, RECEIVED AND ASSIGNED to Finance and Labor Committee.

4/19/00, CONTINUED. Continued to April 26, 2000.

4/26/00, CONTINUED. Continued to May 3, 2000, at request of department.

Head in Committee. Speakers: Ken Bruce, Budget Analyst; Supervisor Yee.

RECOMMENDED by the following vote:

Ayes: 2 - Yee, Bierman
Absent: 1 - Ammiano

000432 **[Requirements Suspended for Certain Transient Merchants]**

Supervisor Leno

Ordinance amending Article 3 of Part III of the San Francisco Municipal Code, by amending Section 250, excepting certain transient merchants that operate at Moscone Center or the Bill Graham Civic Auditorium and agree to comply with all the City and County of San Francisco's rules from the licensing and fee requirements otherwise applicable to transient merchants under Article 3; and enabling enforcement by means of citation.

(Amends Section 250.)

3/13/00, ASSIGNED UNDER 30 DAY RULE to Finance and Labor Committee, expires on 4/12/2000.

4/26/00, CONTINUED. Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Marti Paschal, Supervisor Leno's Aide; Jack Moerschbaecher, Director, S.F. Convention Facilities; Supervisor Ammiano; Susan Leal, Treasurer; Richard Sullivan; Supervisor Yee. Continued to May 3, 2000.

Heard in Committee. Speakers: Ken Bruce, Budget Analyst; Supervisor Yee; Susan Leal, Treasurer; Jack Moerschbaecher, Director, S.F. Convention Facilities; Marti Paschal, Supervisor Leno's Aide; Tom Owen, Deputy City Attorney; Richard Sullivan.

RECOMMENDED by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

000433 **[Amendment to Definition of Transient Merchant - Temporary Business]**

Supervisor Leno

Ordinance amending Article 3 of Part III of the San Francisco Municipal Code, by amending Section 251, defining the term temporary business to mean a business conducted for less than seven days, and excluding pumpkin sellers from the definition of transit merchant.

(Amends Section 251.)

3/13/00, ASSIGNED UNDER 30 DAY RULE to Finance and Labor Committee, expires on 4/12/2000.

4/26/00, CONTINUED. Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Marti Paschal, Supervisor Leno's Aide; Jack Moerschbaecher, Director, S.F. Convention Facilities; Supervisor Ammiano; Susan Leal, Treasurer; Richard Sullivan; Supervisor Yee. Continued to May 3, 2000.

Heard in Committee. Speakers: Ken Bruce, Budget Analyst; Supervisor Yee; Susan Leal, Treasurer; Jack Moerschbaecher, Director, S.F. Convention Facilities; Marti Paschal, Supervisor Leno's Aide; Tom Owen, Deputy City Attorney; Richard Sullivan.

RECOMMENDED by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

000434 **[Requirements Suspended for Certain Transient Merchants]**

Supervisor Leno

Ordinance amending Article 3 of Part III of the San Francisco Municipal Code, by amending Section 252, excepting certain transient merchants that operate at Moscone Center or the Bill Graham Auditorium and agree to comply with all the City and County of San Francisco's rules from the requirement that they apply for a license under Article 3.

(Amends Section 252.)

3/13/00, ASSIGNED UNDER 30 DAY RULE to Finance and Labor Committee, expires on 4/12/2000.

4/26/00, CONTINUED. Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Marti Paschal, Supervisor Leno's Aide; Jack Moerschbaecher, Director, S.F. Convention Facilities; Supervisor Ammiano; Susan Leal, Treasurer; Richard Sullivan; Supervisor Yee. Continued to May 3, 2000.

Heard in Committee. Speakers: Ken Bruce, Budget Analyst; Supervisor Yee; Susan Leal, Treasurer; Jack Moerschbaecher, Director, S.F. Convention Facilities; Marti Paschal, Supervisor Leno's Aide; Tom Owen, Deputy City Attorney; Richard Sullivan.

RECOMMENDED by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

000435 **[Fee Reduction During Suspension Period]**

Supervisor Leno

Ordinance amending Article 3 of Part III of the San Francisco Municipal Code, by amending Section 253, reducing the fees payable by transient merchants during the suspension period.

(Amends Section 253.)

3/13/00, ASSIGNED UNDER 30 DAY RULE to Finance and Labor Committee, expires on 4/12/2000.

4/26/00, CONTINUED. Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Marti Paschal, Supervisor Leno's Aide; Jack Moerschbaecher, Director, S.F. Convention Facilities; Supervisor Ammiano; Susan Leal, Treasurer; Richard Sullivan; Supervisor Yee. Continued to May 3, 2000.

Heard in Committee. Speakers: Ken Bruce, Budget Analyst; Supervisor Yee; Susan Leal, Treasurer; Jack Moerschbaecher, Director, S.F. Convention Facilities; Marti Paschal, Supervisor Leno's Aide; Tom Owen, Deputy City Attorney; Richard Sullivan.

RECOMMENDED by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

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000436 **[Requirements Suspended for Certain Transient Merchants - Tax Return Filing]**

Supervisor Leno

Ordinance amending Article 3 of Part III of the San Francisco Municipal Code, by amending Section 254, exempting those certain transient merchants that operate at Moscone Center or the Bill Graham Civic Auditorium and agree to comply with all the City and County of San Francisco's rules from the tax return filing requirement otherwise applicable to transient merchants under Article 3; and exempting all other transient merchants from such tax return filing requirement during the suspension period.

(Amends Section 254.)

3/13/00, ASSIGNED UNDER 30 DAY RULE to Finance and Labor Committee, expires on 4/12/2000.

4/26/00, CONTINUED. Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Marti Paschal, Supervisor Leno's Aide; Jack Moerschbaecher, Director, S.F. Convention Facilities; Supervisor Ammiano; Susan Leal, Treasurer; Richard Sullivan; Supervisor Yee. Continued to May 3, 2000.

Heard in Committee. Speakers: Ken Bruce, Budget Analyst; Supervisor Yee; Susan Leal, Treasurer; Jack Moerschbaecher, Director, S.F. Convention Facilities; Marti Paschal, Supervisor Leno's Aide; Tom Owen, Deputy City Attorney; Richard Sullivan.

RECOMMENDED by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

000437 **[Requirements Suspended for Certain Transient Merchants]**

Supervisor Leno

Ordinance amending Article 3 of Part III of the San Francisco Municipal Code, by amending Section 255, exempting those certain transient merchants that operate at Moscone Center or the Bill Graham Civic Auditorium and agree to comply with all the City and County of San Francisco's rules from the bonding requirement otherwise applicable to transient merchants under Article 3.

(Amends Section 255.)

3/13/00, ASSIGNED UNDER 30 DAY RULE to Finance and Labor Committee, expires on 4/12/2000.

4/26/00, CONTINUED. Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Marti Paschal, Supervisor Leno's Aide; Jack Moerschbaecher, Director, S.F. Convention Facilities; Supervisor Ammiano; Susan Leal, Treasurer; Richard Sullivan; Supervisor Yee. Continued to May 3, 2000.

Heard in Committee. Speakers: Ken Bruce, Budget Analyst; Supervisor Yee; Susan Leal, Treasurer; Jack Moerschbaecher, Director, S.F. Convention Facilities; Marti Paschal, Supervisor Leno's Aide; Tom Owen, Deputy City Attorney; Richard Sullivan.

RECOMMENDED by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

000438 **[Elimination of Penalty During Suspension Period - Violation of Article 3]**

Supervisor Leno

Ordinance amending Article 3 of Part III of the San Francisco Municipal Code, by amending Section 257, eliminating the penalty on transient merchants that violate the provisions of Article 3 during the suspension period.

(Amends Section 257.)

3/13/00, ASSIGNED UNDER 30 DAY RULE to Finance and Labor Committee, expires on 4/12/2000.

4/26/00, CONTINUED. Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Marti Paschal, Supervisor Leno's Aide; Jack Moerschbaecher, Director, S.F. Convention Facilities; Supervisor Ammiano; Susan Leal, Treasurer; Richard Sullivan; Supervisor Yee. Continued to May 3, 2000.

Heard in Committee. Speakers: Ken Bruce, Budget Analyst; Supervisor Yee; Susan Leal, Treasurer; Jack Moerschbaecher, Director, S.F. Convention Facilities; Marti Paschal, Supervisor Leno's Aide; Tom Owen, Deputy City Attorney; Richard Sullivan.

RECOMMENDED by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

000439 **[Requirements Suspended for Certain Transient Merchants - Licensing Requirements]**

Supervisor Leno

Ordinance amending Article 3 of Part III of the San Francisco Municipal Code, by amending Section 258, exempting those certain transient merchants that operate at Moscone Center or the Bill Graham Auditorium and agree to comply with all the City and County of San Francisco's rules from the licensing requirements otherwise applicable to transient merchants under Article 3.

(Amends Section 258.)

3/13/00, ASSIGNED UNDER 30 DAY RULE to Finance and Labor Committee, expires on 4/12/2000.

4/26/00, CONTINUED. Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Marti Paschal, Supervisor Leno's Aide; Jack Moerschbaecher, Director, S.F. Convention Facilities; Supervisor Ammiano; Susan Leal, Treasurer; Richard Sullivan; Supervisor Yee. Continued to May 3, 2000.

Heard in Committee. Speakers: Ken Bruce, Budget Analyst; Supervisor Yee; Susan Leal, Treasurer; Jack Moerschbaecher, Director, S.F. Convention Facilities; Marti Paschal, Supervisor Leno's Aide; Tom Owen, Deputy City Attorney; Richard Sullivan.

AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE.

Ordinance amending Article 3 of Part III of the San Francisco Municipal Code, (Business and Tax Regulations Code) by adding Section 258 to suspend application of licensing and other requirements for transient merchants.

Continued to May 10, 2000.

CONTINUED AS AMENDED by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

000670 **[Prop J, Contracting Out Jail Food Services]**

Resolution approving the Controller's certification that county jail food service management operations for the City and County of San Francisco can practically be performed by private contractor at a lower cost for the year commencing July 1, 2000, than if work were performed by City and County employees. (Sheriff)

4/12/00, RECEIVED AND ASSIGNED to Finance and Labor Committee.

Heard in Committee. Speakers: Ken Bruce, Budget Analyst; Vickie Hennessey, Sheriff's Department.

RECOMMENDED by the following vote:

Ayes: 2 - Yee, Bierman
Absent: 1 - Ammiano

000673 **[Prop J, Contracting Out Own Recognizance Project]**

Resolution approving the Controller's certification that the San Francisco Own Recognizance Project for the City and County of San Francisco can practically be performed by private contractor at a lower cost for the year commencing July 1, 2000, than if work were performed by City and County employees. (Sheriff)

4/12/00, RECEIVED AND ASSIGNED to Finance and Labor Committee.

Heard in Committee. Speakers: Ken Bruce, Budget Analyst; Vickie Hennessey, Sheriff's Department.

RECOMMENDED by the following vote:

Ayes: 2 - Yee, Bierman
Absent: 1 - Ammiano

000674 **[Prop J, Contracting Out Pretrial Diversion Program]**

Resolution approving the Controller's certification that the Pretrial Diversion Program for the City and County of San Francisco can practically be performed by private contractor at a lower cost for the year commencing July 1, 2000, than if work were performed by City and County employees. (Sheriff)

4/12/00, RECEIVED AND ASSIGNED to Finance and Labor Committee.

Heard in Committee. Speakers: Ken Bruce, Budget Analyst; Vickie Hennessey, Sheriff's Department.

RECOMMENDED by the following vote:

Ayes: 2 - Yee, Bierman
Absent: 1 - Ammiano

990252 **[Living Wage Ordinance]**

Supervisors Ammiano, Bierman

Ordinance amending the Administrative Code by adding Chapter 12N (Sections 12N.1 through 12N.13) to provide that a prescribed minimum level of compensation (A "Living Wage") be paid to certain employees of parties who enter into contracts for the exclusive use of property owned by the City and County and to certain employees of parties who enter into contracts for the exclusive use of property owned by the City and County; adds Section 20.58.6 to provide that the number of hours of services required of general assistance recipients who are performing services in order to maintain eligibility shall be calculated using the living wage; adds Section 20.77.6 to provide that the maximum number of hours of services required of persons who are performing services in order to maintain eligibility for the monthly PAES stipend shall be calculated using the living wage; and adding Section 70.11 to provide that employees of the In-home Supportive Services Public Authority be paid the living wage.

(Fiscal impact; Adds Sections 12N.1 through 12N.13, 20.58.6 and 20.77.6.)

2/17/99, RECEIVED AND ASSIGNED to Finance and Labor Committee.

3/6/99, CONTINUED. Heard in Committee. Speakers: Father Peter Sammon; Nettie Ceasar; Danny Elvena; Bernadine Emperodor; Garth Gandy, People Organized for Employment Rights (POWER); Martina Gills; Josie Moonie; Bob Planthold; Nancy Lewis, RN; Lucille Flato, Khlil Ali, Lester Martin, Darniel Loggins, Arthur Campagna, Hank; Robert Boileau; Jim Illig, Pat Breslin, Shirley Bierly Council for Older Americans; David Novogrodsky; Julia Lopez; Sam Sui; Garrett Jenkins; Frederick Hobson; Milissa Bowen; Mikki Ellis; Stan Thomson, POWER; Raymond Liu; Walter Johnson, S.F. Labor Council; Rand Quinn, Coalition for Immigrant Rights; Richard Klinke, Jonathan Beauer, Charles Andrew; Ricardo Brooks Alba; Richard Ow, Dorothy James, Ed Williard; Marvin Warren, Fred Pecker, Dennis Kelly; Tim West; Denise D'Anne; Dawn Moore; Alma Santana; Criss Romero, Harvey Milk Democratic Club; Bill Price, President Senior Action Network; Erlinda Villa; Anna Sanchez; Richard Leung; Kent Mitchell; Jonathan Perez; Steven Curria; Margaret Hanlon-Gradie. Supervisor Bierman added as cosponsor. Continued to March 18, 1999.

3/18/99, CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speakers: Rosie Byers, Homecare Worker; Ana Maria Loya, Director, LaRaza Centro Legal; Gary Atienza, Security Guard; Eric Mar, Director, Northern California Coalition for Immigrant Rights; Anuradha Mittal, Policy Director, Food First; Laura Trupin, UCSF, Steve Collier, Tenderloin Housing Clinic, Tom Van Dyke, Managing Director of Investments, U.S. Bank Piper Jaffray; Dr. Rajiv Bhatia, Division of Population Health and Prevention, Department of Public Health; Bob Ow; Catherine Raza, Homecare Workers; Deirdre Keane, Full-time Student; Drica Schoenberger, John Hopkins; Mark Gleason; Mario Flores; Vera Haile, In-Home Supportive Services; Tim West, Local 1877; Bruce Allison, Disabled; Kay Walker, SEIU; David Giesen; Erin McClary; Conny Ford; Marylouise Lovett, Women's Forum; Mikki Ellis; Ron Dicks, Local 21; Wade Hudson; Blair Fuller, Writer; Elva Cross-Garrett, Local 535; Howard Williams, Bike Messenger; Cleve Farondi; Juan Flores; Erin Morra; Mr. Verrt, Taxicab Workers Union; Mrya Lopez; Mike Doolin, Rental Car Employee; Chris Romero, Harvey Milk Democratic Club ; Christine Gaddi, Student Union 205, City College of San Francisco, Rosana Majica, Bob Ulreich, Museum of Modern Art, Robert O'Malley, Elveta Stewart; Yolanda Catzalco; Elizabeth Boardman, Adult Day Health Center; Sally Buchman; Rua Graffis, Taxicab Driver; Eduardo Capillong, Louis Fiammetta, Reg O'Hare, Michael Butler, Security Guard, Daisy, Exotic Dancer's Alliance, Larry Edmund, Jason Broom

5/3/99, SUBSTITUTED. Supervisor Ammiano presented a living wage ordinance.

5/3/99, ASSIGNED UNDER 30 DAY RULE to Finance and Labor Committee, expires on 6/2/1999.

2/22/00, RECEIVED AND ASSIGNED to Finance and Labor Committee.

2/22/00, SUBSTITUTED. Submitted by Supervisor Ammiano in Board.

Heard in Committee. Speakers: Supervisor Ammiano; Brian Murphy, Professor, S. F. State College; Michael Reich, Professor, U. C. Berkeley; Jim Illig, Chair, Living Wage Task Force; Rajiv Bhatia, M.D., Department of Public Health; Juanita Miles, Commission on the Status of Women; David Curto; Department of Human Services; Calvin Welch, Living Wage Task Force; Jim Mathias, S.F. Chamber of Commerce, Jo Lynne Lockley; Glynn Washington, Human Services Network; Kathleen Harrington, Golden Gate Restaurant Association (GGRA); Lara Truppelli, Beach Chalet; Patricia Breslin, GGRA; Amy Pompei, Pompei Grotto, George Lyons; Brian; Robert Wellbeloved; Betelnut Restaurant; Paul Lazzareschi, Robert O'Malley, Living Wage Coalition; Steven Cornell, Council of District Merchants (CDM), Chris Ditthafer, (CDM), Berry, Tom Creedon, Scoma's Restaurant; Laura Fraum; Mariann Costello; Helen Hobbs, Tia Margarita, Colleen Meharry, Ms Brown's Restaurant; Mark Mosher; Rolf Mueller (CDM), Supervisor Bierman Continued to May 24, 2000.

CONTINUED by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

000476 **[Administrative Code Chapters 12A, 12B, 12C - Discrimination Based on Weight or Height]**

Supervisors Ammiano, Bierman

Ordinance amending Chapter 12A of the San Francisco Administrative Code by amending Sections 12A.1, 12A.5, and 12A.8, amending Chapter 12B by amending Sections 12B.1 and 12B.2, amending Chapter 12C by amending Sections 12C.1 and 12C.3, and amending Article 33 of the San Francisco Police Code by amending Sections 3303, 3304 and 3305 to prohibit discrimination based on weight or height.

(Amends Administrative Code Chapter 12A Sections 12A.1, 12A.5, 12A.8; Chapter 12B Sections 12B.1, 12B.2; Chapter 12C Sections 12C.1, 12C.3; amends Police Code Article 33 Sections 3303, 3304 and 3305.)

3/20/00, ASSIGNED UNDER 30 DAY RULE to Finance and Labor Committee, expires on 4/19/2000

Heard in Committee Speakers: Supervisor Ammiano, Susan Frankel, Deputy City Attorney, Larry Brinken, Human Rights Commission, Marilyn Wane, Carole Cullum, Attorney at Law, Ricardo Gil, Tom Geller, Patricia Lyons, Nurse, Debora Ivall, Arthur Jackson, Lauren Frazier, Dawn Atkins, Margaret Rossi, Laurie Addison, Esther Rothblum, Frances White, Elena Escalera, Joyce Wermont, Sandra Salazer, Deb Burgard, Steven Currier; Linney Selman; Dana Schiester; Supervisor Bierman

RECOMMENDED by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

000669 **[Taxi Industry Fund]**

Ordinance amending Article XIII of Chapter 10 of Part I of the San Francisco Municipal Code (Administrative Code) by adding Section 10.117-28, to create a Taxi Industry Fund. (Taxi Commission)

(Adds Section 10.117-28.)

4/12/00, RECEIVED AND ASSIGNED to Finance and Labor Committee

4/18/00, SUBSTITUTED. Substituted by City Attorney 4/13/00, hearing new title

4/18/00, ASSIGNED to Finance and Labor Committee

Heard in Committee Speakers: Ken Bruce, Budget Analyst, Officer Farrell Suslow, Taxi Commission, Supervisor Yee; Tom Owen, Deputy City Attorney; Ed Harrington, Controller

CONTINUED TO CALL OF THE CHAIR by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

000566 **[Lease of Property for DPH Southeast Child Family Therapy Center]**

Resolution authorizing the lease of real property at 4527 Mission Street for the Department of Public Health (Real Estate Department)

3/29/00, RECEIVED AND ASSIGNED to Finance and Labor Committee

Heard in Committee Speakers: Ken Bruce, Budget Analyst, Tony DeLucchi, Real Estate Department, Sau-Ling Chang-Sew, Department of Public Health

RECOMMENDED by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

000723 **[Fiscal Year 2000-2001 Budget Proposal for District Offices]**

Supervisor Ammiano

Motion recommending the submittal of the draft Fiscal Year 2000-2001 budget for district offices to the Finance and Labor Committee for its review and recommendations to the Board.

4/17/00, RECEIVED AND ASSIGNED to Finance and Labor Committee.

Heard in Committee. Speakers: Ken Bruce, Budget Analyst; Gloria Young, Clerk of the Board; Supervisor Ammiano; Supervisor Yee; Supervisor Bierman.

RECOMMENDED by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

000691 **[Reserved Funds, DTIS]**

Hearing to consider release of reserved funds, Department of Telecommunications and Information Services, (Fiscal Year 1999-2000 Budget - Court Management System), in the amount of $1,342,659 for the development of the JUSTIS system intended to replace the aging cable system that the criminal justice departments have been using for many years. (Telecommunications and Information Services)

4/14/00, RECEIVED AND ASSIGNED to Finance and Labor Committee.

Heard in Committee. Speakers: Ken Bruce, Budget Analyst; Liza Lowery, Executive Director, Department of Telecommunications and Information Services (DTIS); Supervisor Yee; Ed Harrington, Controller; Supervisor Ammiano.

APPROVED AND FILED by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

ADJOURNMENT

The meeting adjourned at 3:30 p.m.

[Budget Analyst Report]
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CITY AND COUNTY OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST

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April 27, 2000

TO: Finance and Labor Committee

FROM: Budget Analyst

SUBJECT: May 3, 2000 Finance and Labor Committee Meeting

Item 2 - File 00-0738

Department: Department of Children, Youth and Their Families (DCYF)

Item: Hearing to consider the release of reserved funds in the amount of $350,000 for the implementation of the School-Based Health Pilot Project.

Amount: $350,000

Source of Funds: FY 1999-2000 DCYF budget

Description: This request would authorize release of $350,000 reserved in the FY 1999-2000 budget review by the Board of Supervisors for the School-Based Health Pilot Program. During the FY 1999-2000 budget review, the Board of Supervisors reserved $550,000 for the School-Based Health Pilot Program, pending submission of program and budget details, and obtaining a revenue contribution from the San Francisco Unified School District (SFUSD). In January of 2000, the Board of Supervisors authorized release of $200,000 of the $550,000 reserved funds (File No. 00-0001), retaining $350,000 on reserve, pending the submission of further program and budget details.

DCYF and the School Health Task Force[1] are now proposing that the requested $350,000 in reserved funds, plus the $200,000 previously released which has not been expended, for a total of $550,000, be used for the implementation of two Wellness Centers at two high schools, Lincoln and Galileo High Schools. The proposed Lincoln High School Wellness Center would include on-site substance abuse and mental health prevention, counseling and treatment services. In addition, the Lincoln High School Wellness Center would provide physical health services, such as physical exams and sports physicals, through the School Health Programs Department School Health Center, a full-service clinic located across the street. According to Ms. Nani Coloretti of DCYF, the School Health Task Force anticipates that approximately 245 Lincoln High School students would receive services each month at the school site.

The Galileo High School Wellness Center would provide physical health assessment clinic services and augment on-site mental health services currently offered. According to Ms. Coloretti, the School Health Task Force anticipates that 276 Galileo High School students would receive Wellness Center services each month.

The total proposed budget for the two Wellness Centers is $756,866. Of that amount, $550,000 would be City funds, including the subject request for release of $350,000 plus $200,000 released previously and not yet expended. Additionally, SFUSD would contribute $206,846 in in-kind services, for total program costs of $756,866.

Budget:

The proposed summary budget, which includes $550,000 budgeted in the FY 1999-2000 DCYF budget and $206,846 contributed by SFUSD, for a total budget of $756,846, is as follows:

	DCYF	SFUSD	Total
DPH and SFUSD Staff	$428,250	$206,846	
Contractual Staff	79,475		
Subtotal, Staff Costs	507,725		
Operating Costs	42,275		
Total Costs	**$550,000**	**$206,846**	**$756,846**

[1] DCYF convened the School Health Task Force, which consists of 17 members including representatives from Department of Public Health (DPH), the SFUSD, and private and public agencies, in August of 1999 to develop a proposal for the School Based Health Pilot Program

The Attachment, provided by DCYF, contains details to support the summary budget noted above for proposed DCYF expenditures of $550,000 and SFUSD in-kind expenditures of $206,846.

Comments:

1. According to Ms. Coloretti, the proposed DCYF budget of $550,000 would fund 6.6 new FTEs in SFUSD, plus 0.4 FTE 2232 Senior Physician Specialist in the Department of Public Health (DPH) to serve as a medical consultant to the Wellness Centers, and two DPH service contract positions.

Position Description	Salaries, Fringe Benefits, Contractual Services
SFUSD Positions	
Site Coordinator (2.0 FTE) Manages and coordinates staff and school-linked services at each school site; refers students to appropriate provider; maintains documentation for revenue reimbursement.	$96,250
Community Health Worker (2.0 FTE) Makes appointments; assists students in connecting with providers and community resource referrals; assists with records and billings.	90,000
Mental Health Counselor (2.0 FTE) Provides counseling, therapeutic and crisis intervention.	120,000
School District Nurse (0.4 FTE) Conducts general triage, assessment, counseling, and health education and prevention and skill building programs.	22,000
Nurse Practitioner (0.4 FTE) Conducts Medi-Cal required health exams, other physical exams, and sports physicals.	45,000
Subtotal, SFUSD	**$373,250**
DPH Position and Contractual Services	
Senior Physician Specialist (0.4 FTE) Serves as a medical consultant to the Wellness Centers; provides protocols, reviews procedures, consults on cases	55,000
Substance Abuse Counselor, DPH Contractual Services (0.5 FTE) Provides individual and group education, counseling, and treatment for students.	27,500
Contractual Mental Health Counselor, DPH Contractual Services (1.0 FTE)	51,975
Subtotal, DPH	134,475
Total	$507,725

2. Ms. Coloretti states that DPH plans to (a) use existing physician staff to provide Senior Physician Specialist services and (b) add to existing DPH contracts to provide the Mental Health Counselor and Substance Abuse Counselor services, which are school-linked. As previously noted, the proposed SFUSD positions, totaling 6.6 FTE, are new positions.

3. According to Ms. Coloretti, DCYF expects to spend $60,000 of $550,000 in FY 1999-2000 for program start-up costs at Lincoln and Galileo High Schools and carry forward $490,000 for these programs in FY 2000-2001. Ms. Coloretti states that DCYF has budgeted $1,400,000 in FY 2000-2001 for school-based health programs, of which $40,000 would be allocated for the subject programs at Lincoln and Galileo High Schools.

Recommendation: Approve the requested release of reserved funds.

SFUSD Wellness Centers - At Lincoln and Galileo High Schools
Budget - Year One (By Site; By Funding Source)

No.		Lincoln High School			Galileo High School			TOTAL	
	Personnel	DCYF (to SFUSD)	DCYF (to SFDPH)	SFUSD (In-Kind)	DCYF (to SFUSD)	DCYF (to SFDPH)	SFUSD (In-Kind)	DCYF Funds	SFUSD (In-Kind)
1)	Health Promotion Committee			$3,500			$3,500	$0	$7,000
2)	School District Nurse	$11,000		$33,000	$11,000		$33,000	$22,000	$66,000
3)	Peer Resource Coordinator			$35,000			$35,000	$0	$70,000
4)	Professional Development			$15,048			$15,048	$0	$30,096
5)	School Health Center			$20,000				$0	$20,000
6)	Medical Consultant		$27,500			$27,500		$55,000	$0
7)	Site Coordinator	$55,000			$41,250		$13,750	$96,250	$13,750
8)	Community Health Worker	$45,000			$45,000			$90,000	$0
9)	Nurse Practitioner	$22,500			$22,500			$45,000	$0
10)	Mental Health Counselor	$60,000			$60,000			$120,000	$0
	Subtotal, Personnel	**$193,500**	**$27,500**	**$106,548**	**$179,750**	**$27,500**	**$100,298**	**$428,250**	**$206,846**
	Personnel - Contracts								
11)	Mental Health Counselor		$51,975					$51,975	$0
12)	Substance Abuse Counselor		$27,500					$27,500	$0
	Subtotal, Personnel - Contracts	**$0**	**$79,475**	**$0**	**$0**	**$0**	**$0**	**$79,475**	**$0**
	Operating Expenses								
13)	Office Equipment/Supplies	$10,900			$10,900			$21,800	$0
14)	Medical Equipment/Supplies	$3,200			$11,500			$14,700	$0
15)	Other Operating Expenses	$2,575			$3,200			$5,775	$0
	Subtotal, Operating Expenses	**$16,675**	**$0**	**$0**	**$25,600**	**$0**	**$0**	**$42,275**	**$0**
	TOTAL	$210,175	$106,975	$106,548	$205,350	$27,500	$100,298	$550,000	$206,846

Attachment

Item 3 - File 00-0524

Note: This item was continued by the Finance and Labor Committee at its meeting of April 26, 2000.

Department: Public Utilities Commission (PUC)
Hetch Hetchy Water and Power

Item: Resolution authorizing the expenditure of funds for emergency repair of corrosion in the San Joaquin Pipeline No. 3 of the Hetch Hetchy Aqueduct.

Amount: $4,210,000

Source of Funds: Hetch Hetchy Project No. CUH762 San Joaquin Pipeline Repair. (See Comment No. 6 for details).

Description: On November 19, 1999, the President of the Public Utilities Commission (PUC) declared the existence of an emergency condition requiring immediate repairs to the San Joaquin Pipeline No. 3 of the Hetch Hetchy Aqueduct. As stated in the Attachment to this report, provided by the PUC, the San Joaquin Pipeline No. 3 is corroded at approximately 176 sites. The PUC advises that this corrosion, if not repaired, could lead to a pipeline rupture, potentially endangering adjacent parallel pipelines and the foundation of the Hetch Hetchy Water Transmission Line.

The subject resolution would authorize the PUC to expend $4,210,000 to repair the San Joaquin Pipeline No. 3 on an emergency basis. The PUC reports, as stated in the Attachment, that it has selected two separate contractors to complete the repairs, Mendelian Construction Company and Shimmick Construction Company, in order to expedite the construction and avoid interfering with scheduled water deliveries. According to Everett Hintze of the PUC, the PUC selected Mendelian Construction because the company was already doing work in the area when the original emergency was declared, as stated in the Attachment. Mr. Hintze advises that the PUC decided to hire a second construction company in order to ensure that repairs were completed as quickly as possible. Mr. Hintze advises that the PUC selected Shimmick Construction from a list of four construction companies that had expressed interest in

doing the work. According to Mr. Hintze, all four construction companies had been awarded past contracts with the PUC and proven themselves to be reliable and efficient. In addition, according to Mr. Hintze, the potential cost of hiring each firm would differ little since the contract would be based on time and materials, and since the PUC would use a pre-established mark-up for overhead and profit, as stated in the Attachment. Mr. Hintze advises that the PUC selected Shimmick because the firm had not been awarded recent emergency repair construction contracts with the PUC, while the other three companies are presently engaged performing work under such emergency contracts. (See Attachment for additional details on the contractor selection process.)

Mr. Hintze advises that both Mendelian Construction and Shimmick Construction will be paid on a time and materials basis under the direction of PUC Utilities Engineering Bureau (UEB) staff engineers, as stated in the Attachment.

Budget:

A summary budget for the estimated project costs of $4,210,000 is as follows:

Construction Contracts	
Mendelian Construction (See Comment No. 2)	
Repairs for approx. 26 sites (work completed)	
Total Initial Contract	$500,000
Mendelian Construction	
Repairs for approx. 75 sites	1,500,000
Shimmick Construction	
Repairs for approx. 75 sites	1,500,000
Total Construction Contracts	$3,500,000
PUC Utilities Engineering Bureau	350,000
Contingencies	360,000
Total	**$4,210,000**

See Comment No. 4 for further budget details.

Comments:

1. On December 19, 1999 the PUC ratified the November 19, 1999 Declaration of Emergency made by the President of the Commission.

2. According to Mr. Hintze, the PUC first discovered the corrosion of the San Joaquin Pipeline No. 3 on November 19, 1999. The PUC hired Mendelian Construction Company, which was already doing work in the area, to repair the corrosion at approximately 26 sites along the Pipeline, on a time and materials basis, not to exceed $500,000. As work progressed, the PUC discovered that damage to the Pipeline was far more extensive than previously known, with emergency repairs needed at approximately 150 additional sites along the Pipeline, for a total of approximately 176 sites. The PUC thus increased its estimates for construction costs to repair the total of approximately 176 corroded sites along the Pipeline to $3,500,000 ($500,000 for the repair of 26 initial sites plus $3,000,000 to repair the additional 150 corroded sites.) On March 14, 2000, the PUC approved the revised total estimated cost of $4,210,000 to repair the approximate total of 176 corroded sites along the San Joaquin Pipeline.

3. According to Mr. Hintze, 26 of the approximate 176 sites identified with corrosion have already been repaired by Mendelian Construction at a cost of $499,842 (See Comment No. 4 for details). Mr. Hintze advises that the PUC has already paid to Mendelian Construction a total of $499,842 for these repairs.

4. The PUC estimates that each of the 150 sites in the San Joaquin Pipeline identified with corrosion, in addition to the 26 sites already repaired, will cost approximately $20,000 to repair, for a total estimated $3,000,000 in construction costs ($20,000 times 150 sites), as stated in the Attachment. According to Mr. Hintze, the actual cost for repairs is difficult to estimate since the cost can vary significantly from site to site, depending on the amount of corrosion discovered once the affected areas of the Pipeline are excavated. Therefore, Mr. Hintze advises that the cost estimate of $20,000 per site is based on costs already incurred to repair 26 sites that Mendelian Construction has completed. A summary of these costs is as follows:

Costs Billed for 26 Completed Repairs	
Labor	$182,465
Equipment & Materials	187,558
Subcontractors	118,819
Bond Premium	11,000
Total Costs to Date	**$499,842**
Average Cost Per Repair	**$19,225**

5. Mr. Hintze advises that the initial contract with Mendelian is not to exceed $500,000. Mr. Hintze reports that the additional construction contracts with Mendelian Construction and Shimmick Construction are not to exceed a total $3,000,000, for total construction costs of $3,500,000.

6. According to Mr. Carlos Jacobo of the PUC, since Fiscal Year 1985-1986, a total of $18.3 million has been appropriated to Hetch Hetchy's Project CUH762, San Joaquin Pipeline Repairs. Mr. Jacobo reports that the current unexpended balance of this project budget is $4.3 million (as of March 31, 2000).

7. The PUC has provided the Budget Analyst with a copy of the Human Rights Commission letter of certification verifying that Mendelian Construction is a Minority Owned Business Enterprise (MBE). According to Mr. Hintze, Shimmick Construction is not a Minority/Woman Owned Business Enterprise.

8. According to Mr. Hintze, repairs began soon after the declaration of an emergency on November 19, 1999. Mr. Hintze reports that the PUC estimates that the majority of the repairs will be completed by November 1, 2000, as stated in the Attachment. Mr. Hintze advises that especially corroded sites on the San Joaquin Pipeline are too dangerous to repair when the Pipeline is at full pressure, and thus the two construction companies will have to wait until late Fall of 2000 to begin such repairs, when the Pipeline is scheduled to be closed for annual inspections and maintenance. Therefore formal completion of the entire project is scheduled for March 20, 2001.

Recommendation: Approve the proposed resolution.

CITY AND COUNTY OF SAN FRANCISCO
PUBLIC UTILITIES COMMISSION

WILLIE L. BROWN, JR., MAYOR

JOHN P. MULLANE, JR., GENERAL MANAGER

LAURIE PARK, MANAGER, HETCH HETCHY WATER AND POWER

E. DENNIS NORMANDY
PRESIDENT

VICTOR G. MAKRAS
VICE PRESIDENT

FRANK L. COCK
ANN MOLLER CAEN
ASHOK KUMAR BHATT

SAN FRANCISCO
WATER DEPARTMENT

HETCH HETCHY
WATER AND POWER

SAN FRANCISCO
CLEAN WATER PROGRAM

DATE: April 26, 2000

TO: Emilie Neumann
Budget Analyst

FROM: Laurie Park
General Manager (Acting)
Hetch Hetchy Water and Power

SUBJECT: Board of Supervisors Item 000524
San Joaquin Pipeline No. 3 in Hetch Hetchy Aqueduct
Emergency Repairs

BACKGROUND

On December 14, 1999, the Public Utilities Commission adopted PUC Resolution No. 99-0304 ratifying the Declaration of Emergency made by the President of the Commission on November 19, 1999, and requesting the Mayor and Board of Supervisors to approve the expenditure of funds in the amount of $610,000 based upon the estimated scope of damage at that time.

Prior to the November 19, 1999 Declaration of Emergency, an inspection of the pipeline was undertaken during a scheduled shutdown of Pipeline No. 3 to locate leaks and make repairs. This work was being done following the discovery and repair of two small leaks during the summer of 1999. The inspection of the pipeline utilized an existing as-needed testing services contract, for which Mendelian Construction Company was a subcontractor. This work, which preceded the declaration of emergency, was budgeted at $200,000 of which to date approximately $90,000 has been expended. This work was entirely separate from the emergency work and included measuring electrical conductivity in the soil above the pipeline using an advanced radio frequency testing technique that detects anomalies, and ultrasonic testing of the pipe from the inside.

The initial investigations identified approximately fifteen locations where urgent repairs needed to be made. Based upon this finding, the President of the Commission declared the existence of an emergency on November 19,1999.

FIRST EMERGENCY CONTRACT

Immediately following the Declaration of Emergency, an emergency contract in the amount of $500,000 was entered into with Mendelian Construction Company, a local HRC certified MBE. Mendelian was selected because they were doing work on another contract on the Pipeline at the time, and were already mobilized. Because the extent of the work could not be quantified, the contract was entered into on a time and materials basis, with a maximum amount of $500,000. The Human Rights Commission Contract Compliance Officer concurred with this selection.

The scope of work to be performed by Mendelian included making repairs at the known sites and conducting testing to ensure that the new epoxy coatings were properly applied and free of pin holes through which corrosive chemicals could attack the underlying steel. Mendelian was able to repair 26 sites under the original $500,000 contract

DISCOVERY OF MORE SERIOUS CORROSION AND MODIFICATION OF ESTIMATE

The testing under the original $200,000 contract, outside of the emergency, continued. As the corrosion survey continued a total of 176 sites were identified as having severe corrosion problems. On March 14, 2000, following this discovery, the Commission adopted a new Resolution, No.00-0079, which increased the amount for the emergency from $610,000 to $4,210,000.

To address the repair of the 150 additional sites found to be seriously corroded, Staff determined an additional $3,000,000 of contract work should be undertaken immediately to make repairs. This was based upon the average cost of repairs of approximately $20,000 per location under the initial $500,000 Mendelian Contract.

ENGAGING TWO CONTRACTORS TO EXPEDITE REPAIRS

To accelerate the repair effort, Staff decided to let two additional emergency contracts in the amount of $1,500,000 each. Since the scope of work could not be quantified, the contracts entered into are based on time and materials with a pre-established markup for overhead and profit. (This markup is the standard markup used by Caltrans for work done on a time and materials basis. This arrangement, performing the work on a closely monitored time and materials basis, is not a financial windfall for a contractor. The profit made by a contractor under such an arrangement is minimal.) By using two contractors, work can take place from two separate headings, and can be performed more expeditiously.

Staff proposed entering into a second contract with Mendelian for $1,500,000 as Mendelian was already on site and was performing their work in a diligent, cooperative, and satisfactory manner.

A number of other contractors were contacted to determine interest. Four contractors who have engaged in emergency contract work on the Hetch Hetchy and Water Department's major transmission lines showed interest.

The four contractors approached were selected on the basis that they consistently perform good work and meet schedules for contract work with the PUC, and have the equipment and experienced workers who can do the work efficiently and effectively.

PUC staff decided to award a $1,500,000 contract to Shimmick Construction Company. The decision to award to Shimmick was based upon the other three contractors who showed interest having been awarded sizable PUC contracts in the recent past, and to give Shimmick a share of the emergency work. None of the three other bidders objected to this selection process.

MBE/WBE SUBCONTRACTING PARTICIPATION

Both $1.5 million contracts have subcontracting goals of 13% for HRC certified local MBEs and 4% for local WBEs. The Human Rights Commission Contract Compliance Officer assigned to oversee Hetch Hetchy contracts has approved the selection of the two contractors and the MBE/WBE subcontracting goals.

CONTRACT DURATION

The terms for the contracts were set at 365 days, commencing on March 20, 2000. The reason for this is that there are likely some locations where the corrosion is so severe that work cannot be undertaken safely while the pipeline is in service, and may have to be performed during a scheduled shutdown. Also, there is a strong likelihood that additional sites of corrosion will be discovered during the next scheduled shutdown, and some of these repairs can be made under these contracts, assuming funding has not been exhausted. The contractors are committed to work as diligently as possible. At the moment, production is being hampered by a high ground water table due to winter and spring rain, and irrigation taking place throughout the San Joaquin Valley. Along much of the affected portion of the pipeline, access is impossible due to the current muddy conditions.

It is anticipated that most of the work will be completed well before November 1, 2000. When the pipeline is taken out of service later in the fall, the contractors will be able to complete work at those locations where the corrosion is most severe and working on the pipeline at those locations while under pressure could be hazardous.

DESCRIPTION OF WORK AND MATERIALS USED

Generally, the work consists of excavating at each site where serious corrosion has been detected; removing the original coal tar coating and disposing of it; removing the corrosion down to bright metal; welding steel plates over the affected area; applying an epoxy coating to protect the pipe against further corrosion at the site; and backfilling the excavation.

Equipment used includes trucks, backhoes, electric arc welders, pumps, and diesel generators. Materials include steel plate, welding rods, and epoxy coating materials.

BUDGET AND EXPENDITURES

During the performance of the $500,000 contract by Mendelian, 26 locations were repaired at an actual total cost of $499,842. Based on this, the average cost per location was $19,224.69. This was rounded to $20,000 per location for the purpose of arriving at an estimated figure of $3,000,000 for the 150 locations to be repaired under the two $1.5 million contracts.

The emergency budget is shown below:

The total amount for the emergency work is estimated to be $4,210,000. This is broken down as follows:

	Original Estimate	Additional Amount	Current Estimate
Construction Contracts	$500,000	$3,000,000	$3,500,000
UEB Services	$50,000	$300,000	$350,000
Contingencies	$60 000	$300,000	$360,000
TOTAL AMOUNT	$610,000	$3,600,000	$4,210,000

The total billing under the original construction contract with Mendelian is broken down as follows:

	Amount	% of Total
Direct Labor	$182,465	36.5%
Subcontract Work	$118,819	23.8%
Materials and Equipment Rental	$187,558	37.5%
Bond Premium	$11,000	2.2%
TOTAL	$499,842	100.0%

If you have any further questions, please contact Mr. Everett Hintze at 554-0707 or Mr. Frank Mangold at 554-0778.

Items 4 –11 - Files 00-0432, 00-0433, 00-0434, 00-0435, 00-0436, 00-0437, 00-0438, 00-0439

Note: These items were continued by the Finance and Labor Committee at its meeting of April 26, 2000.

Department: Treasurer /Tax Collector

Items:

File 00-0432: Ordinance amending Part III, Article 3, Section 250 of the San Francisco Municipal Code, to except certain transient merchants, that operate at Moscone Center or the Bill Graham Civic Auditorium and agree to comply with all the City and County of San Francisco's rules, from the licensing and fee requirements otherwise applicable to transient merchants under Article 3; and enabling enforcement by means of citation.

File 00-0433: Ordinance amending Part III, Article 3, Section 251 of the San Francisco Municipal Code to define the term temporary business to mean a business conducted for less than seven days and excluding pumpkin sellers from the definition of transient merchant.

File 00-0434: Ordinance amending Part III, Article 3, Section 252 of the San Francisco Municipal Code to except certain transient merchants, that operate at Moscone Center or the Bill Graham Civic Auditorium and agree to comply with all the City and County of San Francisco's rules, from the requirement that they apply for a license under Article 3.

File 00-0435: Ordinance amending Part III, Article 3, Section 253 of the San Francisco Municipal Code to reduce the fees payable by transient merchants during the suspension period described below.

File 00-00436: Ordinance amending Part III, Article 3, Section 254 of the San Francisco Municipal Code to exempt those certain transient merchants, that operate at Moscone Center or the Bill Graham Civic Auditorium and agree to comply with all the City and County of San Francisco's rules, from the tax return filing requirement otherwise applicable to transient merchants under Article 3 and to exempt all other transient

merchants from such tax return filing requirements during the suspension period.

File 00-0437: Ordinance amending Part III, Article 3, Section 255 of the San Francisco Municipal Code to exempt those certain transient merchants, that operate at Moscone Center or the Bill Graham Civic Auditorium and agree to comply with all the City and County of San Francisco's rules, from the bonding requirement otherwise applicable to transient merchants under Article 3.

File 00-0438: Ordinance amending Part III, Article 3, Section 257 of the San Francisco Municipal Code to eliminate the penalty on transient merchants that violate the provisions of Article 3 during the suspension period.

File 00-0439: Ordinance amending Part III, Article 3, Section 258 of the San Francisco Municipal Code to exempt those certain transient merchants, that operate at Moscone Center or the Bill Graham Civic Auditorium and agree to comply with all the City and County of San Francisco's rules, from the licensing requirements otherwise applicable to transient merchants under Article 3.

Description:

The eight proposed ordinances would address City regulations concerning transient merchants, which are currently defined in Part III, Article 3, Section 251 of the City's Administrative Code (See File 00-0433 below). Currently, the City (1) requires transient merchants to obtain quarterly licenses from the City; (2) requires transient merchants to pay $500 quarterly license fees to the City, (3) requires all transient merchants to obtain a $5,000 financial bond, (4) requires transient merchants to file quarterly reports with the City; (5) imposes a Gross Receipts Tax of ten percent on transient merchant's gross sales which exceed $5,000, and (6) imposes certain criminal sanctions for failure to comply with these provisions. All of the proposed ordinances would amend existing Sections of the City's Administrative Code, except one of the

proposed ordinances (File 00-0439), which would add a new Section 258 to the Administrative Code.

File 00-0439: Under this new proposed Section 258, those transient merchants who lease space at either Moscone Center or the Bill Graham Civic Auditorium, and meet the requirements of the City by entering into a License Agreement with San Francisco Convention Facilities, would be exempt from (1) applying for a transient merchant license, (2) obtaining a transient merchant license, or (3) obtaining a financial bond, and therefore would be exempt from all the transient merchant requirements, including the transient merchants quarterly license fee, as established in the City's Administrative Code. All of these new provisions would be in effect during a proposed suspension period, which would extend from the effective date of this ordinance to 30 days after the Board of Supervisors repeals the ordinance.

File 00-00432: Currently, Section 250 of Article 3 of the City's Administrative Code requires all transient merchants to obtain a license from the City. The proposed ordinance would amend this requirement to exempt those transient merchants covered by the new Section 258 discussed above, that lease space at Moscone Center or Bill Graham Civic Auditorium. In addition, the proposed ordinance would require that such license provisions for other transient merchants be enforced by the issuance of administrative citations.

File 00-00433: Currently, Section 251 of Article 3 of the City's Administrative Code defines transient merchants as any person, firm or corporation who (a) engages in a *temporary business* of selling and delivering goods, wares and merchandise, other than food or food products, within the City, and (b) hires, leases, uses or occupies any building, structure, shop, tent, railroad boxcar, boat or room in any hotel, motel, auto court or apartment for the exhibition and sale of such goods, wares and

merchandise. This transient merchant definition specifically excludes (a) persons, firms or corporations who exhibit samples only for the purpose of securing orders for future delivery, (b) sales at public auctions regulated by the provisions of the Police Code and Part III of the Municipal Code and (c) the sale of Christmas trees. The proposed ordinance would also exclude the sale of pumpkins from these transient merchant requirements. In addition, the proposed ordinance would define "temporary business" to mean a business conducted for less than seven days in any calendar year and would require that any business conducted for seven days or more in any calendar year obtain a Business Tax Registration Certificate.

File 00-0434: Currently, Section 252 of Article 3 of the City's Administrative Code contains the requirements for applying for a transient merchant license. The proposed ordinance would make non-substantive clarifying changes to these existing requirements.

File 00-0435: Currently, Section 253 of Article 3 of the City's Administrative Code requires that all transient merchants pay (1) a minimum quarterly fee of $500 for a license and (2) a Gross Receipts Tax of ten percent of gross receipts in excess of $5,000 per quarter. The proposed ordinance would (1) reduce the transient merchant quarterly license fee from $500 to $150, a reduction of $350, or 70 percent, and (2) eliminate the Gross Receipts Tax for transient merchants, who lease space at locations other than Moscone Center and the Bill Graham Civic Auditorium, during the suspension period. As noted previously, under the new Section 258 (File No. 900-0439) transient merchants who lease space at the Moscone Center and the Bill Graham Civic Auditorium are exempt from the transient merchant requirements, including the transient merchant quarterly license fee. Also, the suspension period would extend from the effective date of the new Section 258 (File 00-0439) to 30

days after the Board of Supervisors repeals that ordinance.

File 00-0436: Currently, Section 254 of Article 3 of the City's Administrative Code (1) requires transient merchants to file quarterly reports with the Tax Collector's Office containing the amount of gross receipts received and (2) authorizes the Tax Collector's Office to examine the records of these transient merchants to verify the accuracy of the quarterly reports and/or to ascertain the amount of fees and taxes owed to the City. The proposed ordinance would eliminate the requirement that transient merchants need to file these quarterly reports or pay such taxes to the City during the suspension period, which is noted above.

File 00-0437: Currently, Section 255 of Article 3 of the City's Administrative Code requires that before the quarterly license can be issued by the City, all transient merchants must file a $5,000 bond with the Tax Collector's Office to cover potential injuries or losses that may be sustained. The proposed ordinance would amend Section 255 to provide that only those transient merchants that are required to obtain a quarterly license be required to post the $5,000 bond. Since under the proposed amendments, transient merchants at Moscone Center and Bill Graham Civic Auditorium would be exempt from the licensing requirements, those transient merchants would also be exempt from these bonding requirements.

File 00-0438: Currently, Section 257 of Article 3 of the City's Administrative Code states that any person that violates any of the provisions of Article 3, as described above, would be guilty of a misdemeanor and upon conviction would be punished by a fine of not more than $500 or imprisonment for not more than six months or both. The proposed ordinance would eliminate these criminal sanctions during the suspension period. As noted above (File 00-0432), the provisions of Article 3 would be enforced by the issuance of citations.

Comments:

1. Ms. Susan Leal, the City Treasurer, advises that Mr. Jack Moerschbaecher, the City's Convention Facilities Director and Mr. John Marks, President of the San Francisco's Convention and Visitors Bureau approached the Tax Collector's Office to propose the requested changes to the City's Administrative Code regarding excluding transient merchants at Moscone Center and Bill Graham Civic Auditorium from the City's transient merchants requirements. As indicated in a letter dated October 12, 1999, from Mr. Moerschbaecher to Ms. Susan Leal (Attachment I), Mr. Moerschbaecher reports that Convention Center customers have expressed concern about application of the transient merchant tax to merchants who have exhibits at trade shows and conventions. According to Mr. Moerschbaecher, the San Francisco Convention and Visitors Bureau and Moscone Center "have received numerous communications (from Convention Center customers) protesting the potential application of this tax to their shows". Mr. Moershcbaecher states that, if 17 Convention Center customers who have expressed concern about paying the tax were to transfer their business to other cities, the City would lose an estimated $4,300,000 in Convention Center revenues. Additionally, Mr. Moershcbaecher states that a survey of 9 cities, including 7 California cities (Anaheim, Burbank, Fresno, Los Angeles, San Diego, San Jose, and Santa Clara), Portland, Oregon, and Las Vegas, Nevada, shows that none of the 9 cities impose a transient merchant tax.

2. Under the proposed ordinance (File 00-0439), a transient merchant would be exempt from these regulations, if the merchant leases space at either Moscone Center or Bill Graham Civic Auditorium and enters into a License Agreement for San Francisco Convention Facilities. According to Mr. Moerschbaecher, the existing License Agreements are required to be signed by all show producers who occupy space at Moscone Center or Bill Graham Civic Auditorium. Mr. Moerschbaecher advises that

this License Agreement obligates such show producers to comply with all City government rules and requirements, as well as the Operator's Rules and Regulations, the San Francisco Convention Facilities Public Safety and Fire Management Plan and the Handbook for Meeting Planners and Show Managers. Mr. Moerschbaecher reports that in FY 1999-2000, the City is estimated to receive $7,067,000 from the License Agreement fees at Moscone Center and Bill Graham Civic Auditorium. According to Mr. Moerschbaecher, such revenues are deposited into the Convention Facilities Fund and are used (a) to make debt service payments on Moscone Center, which in FY 1999-2000 are estimated to be $19,877,000, and (b) to pay for the operating and maintenance costs for Moscone Center and Bill Graham Civic Auditorium, which in FY 1999-2000 are estimated to be $15,151,000. The License Agreement fees are not the subject of the proposed ordinance and would remain unchanged. As noted previously, under the proposed ordinance the transient merchant quarterly license fee would apply only to transient merchants leasing space at locations other than Moscone Center and Bill Graham Civic Auditorium, and would be reduced from $500 per quarter to $150 per quarter (Files No. 00-0435 and 00-0439).

3. Mr. Doug Neilson of the Convention and Visitors Bureau reports that the subject transient merchant tax has been "sporadically enforced, at best, for many years". Additionally, Mr. Nielson states that convention and trade show organizers have opposed the transient merchant tax, as shown in the attached memorandum (Attachment II).

4. As noted above, under the proposed ordinance (File 00-0433), a transient merchant would be defined as a business conducted for less than seven days in any calendar year and would require that any business conducted for seven days or more in any calendar year obtain a Business Tax Registration Certificate. Ms. Leal advises that the reduction of the $500 license fee to the proposed

$150 license fee is consistent with the average cost for the City's Business Tax Registration Certificate. Ms. Leal also advises that the existing transient merchant regulations which require payment of a ten percent Gross Receipts Tax on receipts of over $5,000 are proposed to be eliminated because these regulations are extremely labor intensive and practically unenforceable for the Tax Collector's Office.

5. The Treasurer/Tax Collector reports that in FY 1998-99, the Tax Collector's Office collected a total of $41,234 from quarterly license fees and Gross Receipts Taxes from transient merchants, and that, as of March 31, 2000, the Tax Collector's Office has received approximately $16,000 from transient merchant fees and taxes for FY 1999-2000. Based on revenues for the first 9 months of FY 1999-2000, the Budget Analyst projects a total of approximately $21,333 on an annualized basis. According to the Treasurer/Tax Collector, prior to FY 1998-99, the City did not aggressively enforce the provisions of Article 3 regarding transient merchants. As a result, the Treasurer/Tax Collector estimates that the City's collections from transient merchants prior to FY 1998-99 were approximately $3,000 annually.

6. Approval of the proposed ordinances would (a) exempt the transient merchants who lease space at Moscone Center or Bill Graham Civic Auditorium from the existing transient merchant license requirements, including quarterly license fees, (b) eliminate the Gross Receipts tax, and (c) reduce the quarterly license fee from the current $500 per quarter to $150 per quarter for transient merchants who lease space at locations other than Moscone Center and the Bill Graham Civic Auditorium. The Treasurer/Tax Collector estimates that the City would receive a total of approximately $1,500 annually (from an estimated 10 transient merchants, who occupy space at locations other than the Moscone Center or Bill Graham Civic Auditorium, times $150). The Treasurer/Tax Collector expects that the City will receive

additional quarterly license fee revenues, in addition to the estimated $1,500 annual revenues noted above, due to increased ability to collect such fees resulting from the automation of the collection system. The Treasurer/Tax Collector is not able to provide an estimate of the additional revenues at this time.

7. As noted in Attachment III, provided by the Treasurer, the transient merchant revenues to the City in FY 1997-98 were $3,020, in FY 1998-99 were $41,234.38, and in FY 1999-2000, as of March 31, 2000, are $16,006.31. As noted above, under the proposed ordinances, projected revenues in FY 2000-2001 would be approximately $1,500 annually, plus any additional revenues resulting from automation of the collection system.

In FY 2000-2001 transient merchant revenues could be reduced by approximately $19,833 annually, from the Budget Analyst's projected FY 1999-2000 revenues of $21,333 (Comment No. 5) to approximately $1,500. However, the Budget Analyst notes that data on transient merchant revenues, including quarterly license fees and Gross Receipts taxes, is historically limited, and therefore, actual reductions in revenues resulting from the proposed ordinances could vary from the projected amount.

8. According to the Treasurer/Tax Collector, the Tax Collector's Office expects to reallocate staff time to other more significant revenue collection activities, such as unregistered business compliance activity, if less staff time is required to enforce the transient merchant requirements, including reporting and paying tax on gross receipts. As stated in Attachment III, although the Tax Collector's Office does not have specific dedicated staff for transient merchant activities, staff time and costs, resulting from Tax Collector Investigators enforcing the existing transient merchant ordinances, Licensing staff issuing transient merchant licenses, and Cashiers processing the payments, would be reduced.

Additionally, Attachment III states that "it is anticipated that we will recognize further cost savings and enhanced collections due to the redeployment of investigators, who will be able to concentrate on potentially more lucrative investigation activities".

9. As stated in File 00-0432, the proposed ordinance would require that the provision to obtain a transient merchant license would be enforced by administrative citation. According to Mr.George Putris, Tax Administrator, the proposed administrative citation program is currently being developed. Mr. Putris states that actual fines have not yet been determined but that the proposed administrative citation program would be a minor source of revenue to the City. Mr. Putris states that, under the proposed administrative citation program, Tax Collector Investigators would be authorized to issue citations and handle them administratively.

Summary:

Currently, the City requires all transient merchants to (a) pay $500 quarterly license fees to the City, (b) obtain a $5,000 financial bond, (c) file quarterly reports with the City, (d) pay a Gross Receipts Tax of 10 percent on transient merchant's gross sales which exceed $5,000. Additionally, the Administrative Code imposes certain criminal sanctions for failure to comply with these provisions.

Approval of the proposed ordinances would exempt transient merchants who lease space at either the Moscone Center or Bill Graham Civic Auditorium from all the transient merchant requirements noted above, including the quarterly license fee. Additionally, for transient merchants who lease space at locations other than the Moscone Center or Bill Graham Civic Auditorium, approval of the proposed ordinances would (a) reduce the quarterly license fee payable by the transient merchants to the City from $500 per quarter to $150 per quarter, (b) eliminate the Gross Receipts Tax, (c) eliminate the requirement that transient merchants file

quarterly reports with the Tax Collector's Office containing the amount of gross receipts received, and (d) provide for enforcement of the Administrative Code provisions governing transient merchants by the issuance of administrative citations.

All of these new provisions would be in effect during a proposed suspension period, which would extend from the effective date of this ordinance to 30 days after the Board of Supervisors repeals the ordinance.

According to the Treasurer/Tax Collector, in FY 1997-1998, the City collected $3,020 in transient merchant quarterly license fees and Gross Receipts taxes. In FY 1998-1999 the City collected $41,234 and in FY 1999-2000, as of March 31, 2000, the City has collected $16,006 in such fees and taxes. Under the proposed ordinances, the City would only collect the quarterly license fees from transient merchants who lease space at locations other than Moscone Center and Bill Graham Civic Auditorium. The Treasurer/Tax Collector estimates that annual revenues from such fees would be approximately $1,500, plus additional revenues resulting from automation of the quarterly license fee collection system. The Budget Analyst projects FY 2000-2001 transient merchant revenues of $21,333, based on revenues of $16,006 collected in the first 9 months of the fiscal year. Therefore, upon approval of the proposed ordinances, transient merchant revenues from quarterly license fees could be reduced by approximately $19,833 annually, from the Budget Analyst's projected FY 1999-2000 revenues of $21,333 to approximately $1,500. However, the Budget Analyst notes that data on transient merchant revenues, including quarterly license fees and Gross Receipts taxes, is historically limited, and therefore, actual reductions in revenues resulting from the proposed ordinances could vary from the projected amount.

As shown in Attachment I, Mr. Jack Moerschbaecher, the City's Convention Facilities Director, reports that Convention Center customers have expressed concern about application of the transient merchant tax to merchants who have exhibits at trade shows and conventions. According to Mr. Moerschbaecher, the San Francisco Convention and Visitors Bureau and Moscone Center "have received numerous communications (from Convention Center customers) protesting the potential application of this tax to their shows". Mr. Moershcbaecher states that, if 17 Convention Center customers who have expressed concern about paying the tax were to transfer their business to other cities, the City would lose an estimated $4,300,000 in Convention Center revenues. Additionally, Mr. Moershcbaecher states that a survey of 9 cities, including 7 California cities (Anaheim, Burbank, Fresno, Los Angeles, San Diego, San Jose, and Santa Clara), Portland, Oregon, and Las Vegas, Nevada, shows that none of the 9 cities impose a transient merchant tax. Additionally, Mr. Doug Neilson of the Convention and Visitors Bureau reports that the subject transient merchant tax has been "sporadically enforced, at best, for many years", as shown in Attachment II.

Recommendation: Approval of the proposed ordinances is a policy matter for the Board of Supervisors.

Attachment I

City and County of San Francisco **San Francisco Convention Facilities**

Willie Lewis Brown, Jr.
Mayor

Jack Moerschbaecher
Director

October 12, 1999

The Honorable Susan Leal
Treasurer / Tax Collector
City Hall – Room 140
Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

Re: Transient Merchant Tax

Dear Susan:

I would like to provide you with more data to help us assess the likely damage to the City's convention business if the transient merchants tax continues to be applicable to our convention facilities.

As you are aware, this tax currently could be imposed upon exhibitors at conventions / tradeshows if they intend to sell product from their booths. In our industry, the exhibit element of a trade show is critical to the survival of that show. The financial success of a convention / tradeshow is determined not by attendance fees, but by the charges to exhibitors for exhibit space. Maximizing exhibitor participation and exhibit space sold is the goal of our customers. Therefore, it should come as no surprise that the Convention and Visitors Bureau and the Moscone Center have received numerous communications protesting the potential application of this tax to their shows. The letters and calls have ranged from expressions of concern to outrage.

Attached to this letter is a list of those customers who have been vocal to date. They have paid or will pay the City $4.3 million in direct revenue along with tens of millions of dollars in hotel tax and sales tax. Fifteen of these customers are also repeat customers that have placed San Francisco in their rotation patterns. Risking loss any one of these seventeen groups to San Diego, Las Vegas or Anaheim over the transient merchants tax makes no sense. The information provided is specifically limited to those shows that have formally protested the transient merchant tax. Each day the list grows longer.

While the transient merchant tax might be seen as an appropriate levy on a merchant at a consumer show in some small venue in the City, the imposition on customers that have paid the City millions in taxes and revenues and who could choose to go elsewhere seems imprudent.

Please contact me if you need further information.

Very truly yours,

Jack Moerschbaecher

99 Grove Street, #204, San Francisco, CA 94102 – Telephone (415) 554-6178 Fax (415) 978-5913

MEMORANDUM

DATE: April 17, 2000

TO: Severin Campbell, Budget Consultant

FROM: Doug Neilson, San Francisco Convention & Visitors Bureau

RE: *TRANSIENT MERCHANT TAX*

The city's *Transient Merchants Tax* code has been sporadically enforced, at best, for many years. When there has been an effort to enforce it, it has been adamantly opposed by convention and tradeshow organizers, and viewed by them as being nickel-and-dimed when San Francisco is already one of the most expensive cities in which to hold an event. It would also be a tremendous administrative nightmare for them as well as everyone else involved.

Most recently, four (4) convention and tradeshow organizers voiced their strong resentment toward such a tax if implemented during their event. By name they are: MacWorld, the National Association of Elementary School Principals, the American Speech-Language-Hearing Association, and the National School Boards Association. Together, these organizations and their attendees have or will spend over $35,000,000 in the city during their stay and over $850,000 in Moscone Center in rent and food & beverage alone.

The four (4) examples given above represent only a small sample of the 55 to 60 conventions and tradeshows that meet in Moscone Center on an average each year. Most of the groups occupying the convention center that have an exhibition component as a part of their event, do have exhibitors who sell product during the event. However, it is only a very small percentage of the total number of exhibiting companies.

Currently, most of these groups are not even aware of the merchant tax. If, and when, they are made aware of it, we will have a larger problem on our hands and will give a definite edge to all the California cities we compete with, which do not impose the tax.

The amount of money the city could ever hope to collect in merchant taxes would be insignificant to the total revenues generated by conventions and tradeshows. However, the revenues lost by the cancellation of just one convention due to the enforcement of this tax code could never be redeemed from all the merchant taxes the city could ever hope to collect for many years to come.

If you have any further questions, please do not hesitate to call me at 227-2614. Thank you.

cc: Jack Moerschbacher, City and County of San Francisco
John Marks, San Francisco Convention & Visitors Bureau

SAN FRANCISCO CONVENTION & VISITORS BUREAU • 201 Third Street, Suite 900 • San Francisco, CA 94103-3145

Tel: 415 974 6900 • Fax: 415 227 2602 • TTY 415 227 2619 • San Francisco Festival in U.S. and Canada 1 800 220 5747 • Web Site: www.sfcvb.com

Attachment III

Office of the Treasurer
& Tax Collector
City and County of San Francisco
City Hall , Room 140
#1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102

SUSAN LEAL, Treasurer
JAY BANFIELD, Chief Assistant Treasurer
Phone (415) 554-4478

MEMORANDUM

To: Severin Campbell, Budget Analyst
From: Francis Nguyen, Head of Property Tax/License Division
Florence Mar, Director, Bureau of Delinquent Revenue
Date: April 19, 2000
Re: Transient Merchant Fees

The numbers below reflect total amounts collected under the Transient Merchants Ordinance in recent years (based upon the $500.00 registration fee, plus 10% surcharge on sales over $5,000).

Note that in FY98-99, our office began a collaborative effort with San Francisco Convention Facilities to proactively inform vendors of their obligation to register with our office, and the increase in collections reflects this effort.

FISCAL YEAR	AMOUNT COLLECTED
FY96-97	$3,736.40
FY97-98	$3,020.00
FY98-99	$41,234.38
FY99-00	$16,006.75 (as of 03/31/00)

The new ordinance proposes that the surcharge be eliminated, and that the registration fee be set at $150.00, the average amount charged to local businesses who register with our office. Under the new ordinance, we will collect a $150.00 quarterly registration fee from transient merchants who exhibit at venues other than Bill Graham and Moscone Center. Last year, there were 10 such vendors who registered with our office.

We are currently working on contacting exhibit halls in an effort to automate this process as much as possible, which will reduce our time and expense in enforcing this ordinance. Under the existing ordinance, the staff time required includes an Investigator (a total of 2-3 weeks FTE at a salary range of $2326-3489), plus License division time to issue the paperwork, and Cashier division time to process the payments.

It is anticipated that we will recognize further cost savings and enhanced collections due to the redeployment of investigators, who will be able to concentrate on potentially more lucrative investigation activities. However, the net impact of this ordinance revision on our total collections is uncertain.

Item 12 – File 00-0670

Department: Sheriff

Item: Resolution approving the Controller's certification that County Jail Food Service Management operations for the City and County of San Francisco can continue to be practically performed by a private contractor at a lower cost for the year commencing July 1, 2000, than if work were performed by City and County employees.

Services to be Performed: County Jail Food Service Management

Description: Charter Section 10.104 provides that the City may contract with private firms for services which had been performed by City employees if the Controller certifies, and the Board of Supervisors concurs, that such services can in fact be performed by private firms at a lower cost than similar work services performed by City employees.

The Controller has determined that contracting for Jail Food Service Management services for FY 2000-2001 would result in estimated savings as follows:

City-Operated Service Costs	Lowest Salary Step	Highest Salary Step
Salaries	$1,031,808	$1,221,402
Fringe Benefits	285,070	314,604
Total	$1,316,878	$1,536,006
Contractual Services Cost	997,341	997,341
Estimated Savings	$319,537	$538,665

Comments: 1. Jail Food Service Management services consist of the administrative oversight and provision of meals at six County jails that provide housing to inmates.

2. Jail Food Service Management services were first certified, as required under Proposition J (Charter Section

10.104), in 1980 and have been continuously provided by an outside contractor since that time.

3. The five-year contract with Aramark Correctional Services expired on November 30, 1999. The contract included an option to extend for the period of one year. According to Ms. Jean Mariani, Budget Manager for the Sheriff's Department, the Sheriff's Department instead extended the contract with Aramark on a month to month basis for two reasons: (a) Concern that Y2K computer problems could cause a disruption in supplies if a new vendor began contract service, and (b) Aramark was not in compliance with the Equal Benefits Ordinance. Ms. Mariani reports that Aramark is now compliant with the Equal Benefits Ordinance as certified by the Human Rights Commission. As a result, the contract with Aramark has been extended for one-year from May 1, 2000 through April 30, 2001.

The Purchasing Department and the Sheriff's Department are jointly developing new contract bid specifications and are expected to accept competitive bids for the food service contract early in the year 2001.

4. The Contractual Services Cost used for the purpose of this analysis is based on Aramark Correctional Services' projected FY 2000-2001 costs to provide County Jail Food Services Management services.

5. The Contractual Services Cost of $997,341 for FY 2000-2001 is $55,727 or 5.9 percent more than the FY 1999-2000 cost of $941,614. According to Ms. Jane Mason of the Sheriff's Department, the increased cost resulted from hiring a general manager who supervises food service at the six jail facilities.

6. The Controller's supplemental questionnaire with the Department's responses is shown attached to this report.

Recommendation: Approve the proposed resolution.

CHARTER 10.104.15 (PROPOSITION J) QUESTIONNAIRE

DEPARTMENT: Sheriff

CONTRACT SERVICES: Aramark Correctional Services – Food Contract

CONTRACT PERIOD: July 1, 2000 – June 30, 2001

(1) Who performed the activity/service prior to contracting out? City employees, including a Food Service Administrator, Chefs and Cook, provided this service prior to 1980.

(2) How many City employees were laid off as a result of contracting out? None.

(3) Explain the disposition of employees if they were not laid off. The Food Service Administrator's position was vacant; 5 Chefs and 1 Cook were hired by departments with similar classifications. The Mayor's Office deleted the positions from the Fy 1994-95 budget.

(4) What percentage of City employees' time is spent of services to be contracted out? None.

(5) How long have the services been contracted out? Since 1980.
Is this likely to be a one-time or an ongoing request for contracting out? On-going.

(6) What was the first fiscal year for a Proposition J certification? FY1980-81
Has it been certified for each subsequent year? Yes.

(7) How will the services meet the goals of your MBE/WBE Action Plan?
The department has a waiver for this contracted service, which is a highly specialized and competitively bid contract.

(8) Does the proposed contract request that the contractor provide health insurance for its employees? No.
Even if not required, are health benefits provided? Yes.

(9) Does the proposed contractor provide benefits to employees with spouses? Yes.
If so, are the same benefits provided to employees with domestic partners? No.
If not, how does the proposed contractor comply with the Domestic Partners ordinance? Current contract expires 11/30/99. Contractor understands that any contract modification prior to that time will require compliance with ordinance. Contractor has submitted documentation to Human Rights Commission.

Department Representative: Jean Mariani

Telephone Number: (415) 554-4316

Item 13 – File 00-0673

Department: Sheriff

Item: Resolution approving the Controller's certification that the San Francisco Own Recognizance Project (O.R.) for the City and County of San Francisco can continue to be practically performed by a private contractor at a lower cost for the year commencing July 1, 2000, than if the work were performed by City and County employees.

Services to be Performed: Own Recognizance Project

Description: Charter Section 10.104 provides that the City may contract with private firms for services which had been performed by City employees if the Controller certifies, and the Board of Supervisors concurs, that such services can in fact be performed by private firms at a lower cost than similar work services performed by City employees.

The Controller has determined that contracting for the Own Recognizance Project for FY 2000-2001 would result in estimated savings as follows:

City-Operated Service Costs	Lowest Salary Step	Highest Salary Step
Salaries	$894,507	$1,059,214
Fringe Benefits	233,737	259,573
Total	$1,128,244	$1,318,787
Contractual Services Cost	858,052	858,052
Estimated Savings	$270,192	$460,735

Comments:

1. The Own Recognizance Project interviews persons arrested on non-warrant felony charges and certain misdemeanors that are not citable by the Sheriff's Department, who are booked into custody and are not immediately bailed or cited.

2. The Sheriff's Department reports that the O.R. Project was first certified under Proposition J, (Charter Section 10.104), in FY 1977-78 and has been continuously provided by an outside contractor since that time.

3. The prior one-year contract with the San Francisco Institute for Criminal Justice-O.R Project, the non-profit organization that provides the O.R. Project, expires on June 30, 2000. The Sheriff's Department wishes to enter into a new contract for FY 2000-2001. Approval of this proposed resolution is required before the expired contract with the San Francisco Institute for Criminal Justice-O.R Project can be renewed for FY 2000-2001.

4. The Contractual Services Cost used for the purpose of this analysis is the San Francisco Institute for Criminal Justice-O.R. Projects' projected FY 2000-2001 cost for the Own Recognizance Project.

5. The Contractual Services Cost of $858,052 for FY 2000-2001 is $36,456 or 4.4 percent more than the FY 1999-2000 cost of $821,596. According to Ms. Jane Mason of the Sheriff's Department, the increased cost resulted from higher non-personnel costs, which were somewhat offset by lower personnel expense.

6. The Controller's supplemental questionnaire with the Department's responses is attached to this report.

Recommendation: Approve the proposed resolution.

CHARTER 10.104.15 (PROPOSITION J) QUESTIONNAIRE

DEPARTMENT: Sheriff

CONTRACT SERVICES: San Francisco Institute for Criminal Justice
Own Recognizance (OR) Project

CONTRACT PERIOD: July 1, 2000 – June 30, 2001

(1) Who performed the activity/service prior to contracting out?

Service was not provided.

(2) How many City employees were laid off as a result of contracting out?

None

(3) Explain the disposition of employees if they were not laid off Not applicable

(4) What percentage of City employees' time is spent of services to be contracted out? None

(5) How long have the services been contracted out? Since 1966
Is this likely to be a one-time or an ongoing request for contracting out?

On-going

(6) What was the first fiscal year for a Proposition J certification? FY1977-78
Has it been certified for each subsequent year? Yes

(7) How will the services meet the goals of your MBE/WBE Action Plan?

Because a non-profit organization provides the services, the MBE/WBE Plan is not affected.

(8) Does the proposed contract request that the contractor provide health insurance for its employees? No
Even if not required, are health benefits provided? Yes

(9) Does the proposed contractor provide benefits to employees with spouses? Yes.
If so, are the same benefits provided to employees with domestic partners? Yes
If not, how does the proposed contractor comply with the Domestic Partners ordinance? Contractor complies with ordinance.

Department Representative: Jean Mariani

Telephone Number: (415) 554-4316

Memo to Finance and Labor Committee
May 3, 2000 Finance and Labor Committee Meeting

Item 14 – File 00-0674

Department: Sheriff

Item: Resolution approving the Controller's certification that the Pre-Trial Diversion Project for the City and County of San Francisco can continue to be practically performed by a private contractor at a lower cost for the year commencing July 1, 2000, than if the work were performed by City and County employees.

Services to be Performed: Pre-Trial Diversion Project

Description: Charter Section 10.104 provides that the City may contract with private firms for services which had been performed by City employees if the Controller certifies, and the Board of Supervisors concurs, that such services can in fact be performed by private firms at a lower cost than similar work services performed by City employees.

The Controller has determined that contracting for the Pre-Trial Diversion Project for FY 2000-2001 would result in estimated savings as follows:

City-Operated Service Costs	Lowest Salary Step	Highest Salary Step
Salaries	$605,595	$717,002
Fringe Benefits	159,714	177,228
Total	$765,309	$894,230
Contractual Services Cost	606,000	606,000
Estimated Savings	$159,309	$288,230

Comments:

1. The Pre-Trial Diversion Project diverts selected misdemeanor offenders from the criminal justice system and places such offenders in the Pre-Trial Diversion Project to receive vocational training, job placement and counseling.

2. The Sheriff's Department reports that this service was first certified as required under Proposition J, (Charter Section 10.104) in FY 1977-78 and has been continuously provided by an outside contractor since that time.

3. The prior one-year contract with the San Francisco Diversion Project, the non-profit organization which provides the Pre-Trial Diversion Project, expires on June 30, 2000. The Sheriff's Department wishes to enter into a new contract for FY 2000-2001. Approval of the proposed resolution is required before the expired contract with the San Francisco Diversion Project can be renewed for FY 2000-2001.

4. The Contractual Services Cost used for the purpose of this analysis is the San Francisco Pre-Trial Diversion Project's projected FY 2000-2001 cost for the Pre-Trial Diversion Project.

5. The estimated FY 2000-2001 Contractual Services Cost of $606,000 is $93,858 or 18.3 percent more than the FY 1999-2000 cost of $512,142. According to Ms. Jane Mason of the Sheriff's Department, the increased cost resulted from hiring an additional 0.7 FTE case worker supervisor and hiring an additional 1.2 FTE court alternative specialists needed for increased inmate counseling based on recent increases in jail population.

6. The Controller's supplemental questionnaire with the Department's responses is attached to this report.

Recommendation: Approve the proposed resolution.

CHARTER 10.104.15 (PROPOSITION J) QUESTIONNAIRE

DEPARTMENT: Sheriff

CONTRACT SERVICES: San Francisco Pretrial Diversion Project

CONTRACT PERIOD: July 1, 2000– June 30, 2001

(1) Who performed the activity/service prior to contracting out?

Service was initially funded through Federal grant monies and service workers performed the duties.

(2) How many City employees were laid off as a result of contracting out?

None.

(3) Explain the disposition of employees if they were not laid off. Not applicable.

(4) What percentage of City employees' time is spent of services to be contracted out? None.

(5) How long have the services been contracted out? Since 1977.
Is this likely to be a one-time or an ongoing request for contracting out?

On-going.

(6) What was the first fiscal year for a Proposition J certification? FY1977-78
Has it been certified for each subsequent year? Yes.

(7) How will the services meet the goals of your MBE/WBE Action Plan?

Because a non-profit organization provides the services, the MBE/WBE Plan is not affected.

(8) Does the proposed contract request that the contractor provide health insurance for its employees? No.
Even if not required, are health benefits provided? Yes.

(9) Does the proposed contractor provide benefits to employees with spouses? Yes.
If so, are the same benefits provided to employees with domestic partners? Yes.
If not, how does the proposed contractor comply with the Domestic Partners ordinance? Contractor complies with ordinance.

Department Representative: Jean Mariani

Telephone Number: (415) 554-4316

Item 15 - File 99-0252

Item: Ordinance amending the Administrative Code to require that a minimum level of compensation (a "living wage"), compensated time off, and health benefits be provided to certain employees of contractors providing services to the City and County and of parties who enter into contracts for the exclusive use of property owned by the City and County; and providing that the number of hours of services required of General Assistance recipients who are performing services in order to maintain eligibility shall be calculated using the living wage.

Description: The proposed ordinance would amend the Administrative Code to require that private contractors which have service contracts with the City and private firms which have property leases for the use of property owned by the City provide certain employees with the following:

- A living wage of $11 per hour which shall be adjusted annually by the percentage increase in the Consumer Price Index.

- Either (a) a paid membership in a group health insurance plan; or (b) cash in an amount that is no less than the individual rate for the base group rate of the Health Maintenance Organization (HMO) with the most members in California, which is currently Kaiser Permanente. Under the proposed ordinance, City service contractors and leaseholders would only be required to provide such health insurance benefits to employees earning less than the prevailing living wage rate (initially $11 per hour). No health insurance benefits would have to be provided by the employer.

- Compensated time off equal to 0.231 days per work week (12 days annually) for sick leave, vacation or personal necessity; or provide a cash equivalent.

- Uncompensated time off equal to 0.192 days per work week (10 days annually) for sick leave.

The two types of agreements subject to the ordinance are: (a) services contracts, including service contracts supported by grant funds, and (b) property contracts for use of property owned by the City, or for which the City has exclusive use, for a term exceeding 29 days. The proposed ordinance covers only an organization's employees who work on service contracts with the City and does not apply to other employees of the organization. It covers home health care workers employed through the In-Home Supportive Services (IHSS) program and employees of companies that lease property from the City. The ordinance would be phased in as service or lease contracts are renewed. The ordinance would exempt City contracts with vendors for the purchase of goods, service contractors with five employees or less, and contractors with less than $25,000 in annual business with the City. A number of additional exclusions are listed on pages 8-11 of the proposed ordinance.

Comment:

The Budget Analyst has been informed that the proposed ordinance has been scheduled on the May 3, 2000 Finance and Labor Committee agenda for purposes of accepting testimony and that the proposed ordinance will be continued to the Finance and Labor Committee meeting of May 17, 2000.

The Budget Analyst will submit a final report on the proposed ordinance for the May 17, 2000 Finance and Labor Committee meeting.

Item 16 - File 00-0476

Department: Human Rights Commission (HRC)

Item: Ordinance amending provisions of Chapters 12A, 12B, and 12C of the San Francisco Administrative Code and Article 33 of the San Francisco Police Code to prohibit discrimination based on weight or height.

Description: Existing provisions of (a) Chapters 12A, 12B, and 12C of the San Francisco Administrative Code, and (b) Article 33 of the San Francisco Police Code prohibit discrimination based on race, religion, color, ancestry, age, sex, sexual orientation, gender identity, disability, or place of birth. The proposed ordinance would amend these ordinances to add weight and height as classes protected against discrimination.

Comments:

1. Mr. Larry Brinkin of the HRC advises that the fiscal impact of the proposed ordinance is estimated to be slight. This assessment is based on the HRC's experience over the last five years of adding gender identity to the City's non-discrimination provisions. According to Mr. Brinkin, the HRC receives many more complaints about discrimination based on gender identity than it does about discrimination based on weight and height. Mr. Brinkin adds that there has been no significant fiscal impact for the City as a result of adding gender identity to the City's non-discrimination provisions. City departments have received gender identity discrimination training from community groups free-of-charge, as would be the case with weight and height discrimination training, according to Mr. Brinkin.

2. As there have been few weight and height discrimination claims historically, Mr. Brinkin states that the HRC has not requested any additional staff in its FY 2000-2001 budget proposals to address weight and height discrimination claims should this proposed ordinance be approved.

3. According to Mr. Brinkin, without amendments to the Civil Service Code (which would require voter approval of

a Charter amendment), the subject ordinance would not affect City departments as employers. Furthermore, HRC consultation with advocates about the subject ordinance has focused on private sector employers and public accommodations issues. Consultation with advocates did not suggest that there were discrimination issues with regard to the client services provided by City departments.

4. Mr. Brinkin states that under the proposed ordinance City department employees would not be able to file weight and height discrimination claims against the City as their employer. However, members of the public receiving City services would be able to file weight and height discrimination complaints against the City. Such complaints from clients could be dealt with, in the first instance, by City departments' internal complaints procedures. If those internal departmental procedures failed to achieve resolution, then the HRC would be responsible for resolving discrimination claims, according to Mr. Brinkin. According to Ms. Susan Frankel of the City Attorney's Office, although it is not specifically addressed in the proposed ordinance, any person who felt their claim was not properly resolved by the HRC would have the option to file a discrimination suit against the City.

5. Mr. Brinkin states that City contractors would be required to sign a declaration that they would not discriminate based on weight and height if the proposed ordinance is approved.

Recommendation: Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

Memo to Finance and Labor Committee
May 3, 2000 Finance and Labor Committee Meeting

Item 17 - File 00-0669

Department: Taxi Commission

Item: Ordinance amending Article XIII of Chapter 10 of Part I of the San Francisco Municipal Code (Administrative Code) by adding Section 10.117-28, to create a Taxi Industry Account.

Description: As requested by the Taxi Commission, the proposed ordinance would add a new Section 10.117-28 to Article XIII, Chapter 10 of the Administrative Code. This would authorize the Controller to establish a new Special Account known as the Taxi Industry Account to receive gifts, contributions, grants or other revenues. The proposed ordinance states the following:

(a) A Taxi Industry Account would be established and administered by the Taxi Commission.
(b) Donations of money and other gifts from private parties to the Taxi Commission would be deposited into the Taxi Industry Account.
(c) The Taxi Commission would be authorized to use monies in the subject account for programs to promote the safety and well-being of taxi drivers and encourage modernization of the taxi industry.
(d) Interest accrued on monies in the account would become part of the principal funds in the subject account.
(e) Unexpended account balances at the end of the fiscal year shall be carried over into the next fiscal year.

Approval of the proposed ordinance would authorize the establishment of the Taxi Industry Account.

Comments: 1. According to Mr. Farrell Suslow of the Taxi Commission, the purpose of the proposed Taxi Industry Account is to allow the Commission to receive cash gifts and donations from private parties. Mr. Suslow states that such gifts and donations would be used primarily to fund programs promoting taxi driver welfare and taxi industry safety, and that the Taxi Commission would determine which programs to fund. Mr. Suslow advises that expected donations would come predominately from taxi companies and advertising brokers that use taxis for "wrap"

advertising.[1] The Attachment, provided by Mr. Suslow, contains an explanation of the Taxi Commission's request for the proposed ordinance.

2. In accordance with Administrative Code Section 10.116, City Departments may receive cash gifts less than $5,000 and administer such gifts in accordance with the wishes of the donor. Administrative Code Section 10.116 provides that such gifts are to be deposited with the Treasurer, in an account designated by the Controller. Cash gifts exceeding $5,000 require Board of Supervisors approval.

3. According to Mr. Thomas Owen of the City Attorney's Office, under the proposed ordinance, separate Board of Supervisors approval would not be required for (a) acceptance of gifts and donations exceeding $5,000 or (b) appropriation for expenditure of funds from the Taxi Industry Account.

Recommendation: Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

[1] "Wrap" advertising is shrink wrap advertising that encompasses the vehicles. Mr. Suslow states that the Taxi Commission is in the process of developing a policy for San Francisco taxis regarding "wrap" advertising.

Attachment

CITY AND COUNTY OF
SAN FRANCISCO

TAXICAB COMMISSION
MAYOR WILLIE L. BROWN JR.

MARIANN COSTELLO, PRESIDENT
RACHIALLE FRANKLIN, VICE PRESIDENT
VINCENT AGBAYANI, COMMISSIONER
JANE BOLIG, COMMISSIONER
CHRIS DITTENHAFER, COMMISSIONER
PAUL GILLESPIE, COMMISSIONER
MARY McGUIRE, COMMISSIONER

TO: Severyn Campbell
Budget Analyst's Office

FROM: Farrell Suslow

DATE: April 27, 2000

SUBJ.: File 00-0669

The Taxicab Commission has asked the Board of Supervisors to add an ordinance creating a "Taxi Industry Fund" in order to accept and disperse donations and other revenues received to promote the safety and well-being of taxi drivers and to encourage the modernization of the taxi industry. It is anticipated that the frequency of such revenues, expected to be at least several occurrences per month, being received and dispersed would make transmitting each request through the Board of Supervisors logistically impractical.

If you have any further questions, please call me at 553-1537.

Memo to the Finance and Labor Committee
May 3, 2000 Finance and Labor Committee Meeting

Item 18 - File 00-0566

Department:	Department of Public Health (DPH) Department of Real Estate (DRE)
Item:	Resolution authorizing a new lease of real property at 4527 Mission Street for the Department of Public Health.
Location:	4527 Mission Street
Purpose of Lease:	To provide a wheelchair accessible space for DPH's Southeast Child Family Therapy Center.
Lessors:	The Mitzman Family Trust and John L. Gordon
Lessee:	The City and County of San Francisco, acting by and through the DPH.
No. of Sq. Ft. and Cost Per Month:	2,031 square feet at a monthly rental rate of $3.047 (approximately $1.50 per square foot).
Annual Cost:	$36,564
Cost Increase Over Current Location:	$18,564 per year
Utilities and Janitorial Service:	Lessee is responsible.
Term of Lease:	May 1, 2000 to April 30, 2005 (five years)
Right of Renewal:	One option of five years to extend the term of the lease at the prevailing market rate[1].
Source of Funds:	68 percent State and Federal, 32 percent County to be included in the DPH annual budget.

[1] The method by which the prevailing rate will be determined is described in detail in a standard DRE provision in the lease agreement. According to Ms. Claudine Venegas of DPH, the provision states: 1) that the lessor shall make an offer, 2) if DPH does not agree with the offer, they shall submit a counter offer, 3) if neither offer is acceptable to both parties, each shall have the property appraised; if the appraisals are within ten percent of one another, the average of the two shall be the prevailing rate, 4) if the two appraisals are not within ten percent of one another, the two appraisers shall hire a third appraiser, and the estimate of the third appraiser shall be averaged with the nearest of the first two appraisals; the resulting rent shall be the prevailing rate.

Description:

The proposed resolution would authorize a new five-year lease of 2,031 square feet of space at 4527 Mission Street. This space would accommodate 11 of the 26 employees working at the DPH's Southeast Child Family Therapy Center based at 10 29th Street and at 300 Bennington Street.

Comments:

1. According to Ms. Judith Schutzman of DPH, the 26 employees that staff DPH's Southeast Child Family Therapy Center are primarily located in two spaces: (1) 18 staff members occupy 2,400 square feet of office space at 10 29th Street, on a month-to-month lease ($1,500 per month or $18,000 annually) and (2) 2 staff members occupy a 1,189 square foot seminar room at 300 Bennington Street, on a month-to-month lease ($650 per month or $7,800 annually). Total rent for the two locations is, therefore, $25,800 annually. The other six employees are "outstationed" at various locations due to the lack of office space at the Center's two current locations at 10 29th Street and 300 Bennington Street. Therefore, the total number of employees is 26.

According to Ms. Schutzman, the Center is relocating from the 29th street location because: 1) it does not meet ADA requirements, 2) it is compact, and as such offers limited space for confidential consultation with the Center's clients, and 3) it is in need of renovation which the landlord is unwilling to make.

2. The combined annual rent for the two properties currently occupied by the Center, and which accommodates 20 staff persons, is $25,800 per year. In total, 20 employees occupy 3,589 square feet (approximately 122 square feet per employee excluding approximately 1,150 square foot space for client visits). The proposed lease would accommodate 11 staff persons in 2,031 square feet (165 square feet per employee excluding 216 square feet of space that would be used for client visits) and would cost $36,564 per year. The remaining 15 staff persons would remain in the current location at 29th Street until a second space can be located. According to Ms. Schutzman, the Center is currently negotiating with a property owner in the Bayview-Visitacion Valley vicinity, and expects to conclude negotiations for a new lease agreement in about one month's time.

According to Ms. Schutzman, DPH had originally planned to relocate the Southeast Child Family Therapy Center into a single office space in the Mission Street area. However, DPH was not able to locate an area of sufficient size to accommodate the Center. Additionally, the Center's clientele has grown such that it now mostly resides in two areas of the City: the Mission area and the Bayview-Visitacion Valley area. Accordingly, DPH decided that two smaller locations would address both the difficulty of finding a single location large enough for the entire Center, and the location of the Center's clientele.

3. Under the proposed lease, 11 employees of DPH's Southeast Child Family Therapy Center would be located in the subject proposed 2,031 square feet of space at 4527 Mission Street. The remaining 15 employees will continue to work out of the current 29th Street location until a new Bayview-Visitacion property is leased.. The proposed lease would temporarily bring the total number of properties occupied by the Center to three (10 29th Street, 300 Bennington Street, and 4527 Mission Street) until a second new location is leased by DPH which will both accommodate the remaining 15 employees not moving to the new location at 4527 Mission Street, and provide a large meeting space like the one at 300 Bennington Street. During this transitional period, the total monthly rent for all three locations will be $5,197, which is $3,047 more than the present monthly rent of $2,150. According to Ms. Schutzman, DPH expects to bring a resolution before the Board of Supervisors requesting approval of the new Bayview-Visitacion Valley facility in July of this year. After the new Bayview-Visitacion Valley facility has been rented, DPH will end leases with both the 10 29th Street and 300 Bennington Street facilities.

4. The proposed monthly rent of $3,047 at 4527 Mission Street for the initial term will be subject to a four percent adjustment at the beginning of the third year of the initial five-year term increasing the rent to $3,169 per month, or $38,028 annually. If the lease is extended for a second five-year term, it will be subject to a four percent increase at the beginning of the third year of the five-year extension.

5. According to Ms. Claudine Venegas of DRE, the proposed lease rate is somewhat lower than fair market rent.

Recommendation: Approve the proposed resolution.

Memo to Finance and Labor Committee
May 3, 2000 Finance and Labor Committee Meeting

Item 19 - File 00-0723

Department: Board of Supervisors

Item: Motion recommending submittal of the draft Fiscal Year 2000-01 budget for District Offices to the Finance and Labor Committee for its review and recommendations to the Board.

Description: The proposed motion would recommend that the Finance and Labor Committee review and submit to the Board of Supervisors the proposed amount of $784,655, as part of the FY 2000-01 budget, to create 11 District Offices for each member of the Board of Supervisors. In November of 1996, the voters of San Francisco approved Proposition G, which requires that all 11 members of the Board of Supervisors be elected by District, beginning with the election in November of 2000, with the District Supervisors to take office in January of 2001. The proposed budget of $784,655, which is included as an Attachment, provided by Ms. Gloria Young, Clerk of the Board of Supervisors would provide funding for such offices beginning in January of 2001.

Comments: 1. As shown in the Attachment, $550,000 is included for Rents & Leases. Ms. Young advises that this estimate is based on an assumption of approximately $50,000 per District Office for rent and furnishings for each of the 11 District Offices for the approximately six month period from mid-January through June 30, 2001. Because the $550,000 amount is an estimate, subject to future lease negotiations by the Department of Real Estate, a specific breakdown of how much would be spent for furnishings versus rent in each District Office is not available at this time.

Ms. Young advises that each District Office would likely comprise at least two offices, with space for the Supervisor and one staff person, as well as members of the public, including computer, telephones, filing and storage area. In addition, Ms. Young reports that she has met with

representatives from the Real Estate Department, the Public Library and the Public Health Department to discuss the possibility of co-locating District Offices in existing City-owned or leased sites, so that additional funds might not be needed to lease office space. However, Ms. Young notes that an existing City-owned or leased site was not found in District 8. Also, many of the other districts only have Police Stations available, which Ms. Young notes may not be the most suitable location for members of the Board of Supervisors to meet with the public. Therefore, Ms. Young advises that she has included the proposed budget request of $50,000 per District Office to cover the likelihood of leasing additional private space for Supervisors' District Offices.

2. Mr. Tony Delucchi of the Real Estate Department advises that commercial rents are currently averaging between $3.50 to $4.50 per square foot per month. Mr. Delucchi advises that at the upper end, these estimated rents would include utility and maintenance expenses. Assuming that each of the proposed District Offices would comprise an average of approximately 1,000 square feet of space for a two-suite office, Mr. Delucchi reports that each District Office would cost between $3,500 to $4,500 per month ($42,000 to $54,000 annually). For the 11 District Offices, the total annual estimated rental costs would be approximately $462,000 to $594,000. However, Mr. Delucchi cautions that the commercial rental market in San Francisco has been increasing dramatically during the past few years, and until actual rental agreements are negotiated for each District Office, the actual cost of each District Office cannot be known. For example, Mr. Delucchi advises that prime downtown commercial view space is currently renting for $6.50 to $8.50 per square foot per month, or approximately $6,500 to $8,500 per month for a 1,000 square foot commercial lease.

In addition, Mr. Delucchi notes that paint and carpeting of each District Office generally costs

approximately $10 per square foot, or an additional $10,000 per 1,000 square foot office, totaling additional one-time expenses of $110,000 for the 11 District Offices. If further tenant improvements are required, Mr. Delucchi advises that reasonable improvements generally average one-time costs of $35 to $40 per square foot.

Mr. Delucchi reports that new furnishings for each District Office, including one electrified and ergonomic workstation and one Executive desk, chair, file cabinet, and companion chairs would cost approximately $10,000. If additional conference tables and chairs are required, Mr. Delucchi advises that such furnishings could add up to an additional $5,000 per District Office. Assuming $10,000 of furnishings for each of the 11 District Offices results in approximately $110,000 ($10,000 per office x 11 District Offices) in one-time furniture costs.

Based on the above, for six months in FY 2000-01, an estimate of $231,000 to $297,000 would be needed for lease expenses. Additional one-time costs of $110,000 for paint and carpeting and another one-time cost of $110,000 for furniture may also be needed in the FY 2000-01 budget. Together, these costs result in a total of $451,000 to $517,000. Given that these estimates do not include any costs for additional tenant improvements beyond painting and carpeting, the budgeted amount in the Attachment of $550,000 for FY 2000-01 for lease expenses, furnishings and tenant improvements, would allow a total of $33,000 to $99,000 for such tenant improvements.

3. In addition, the proposed budget reflects the costs of purchasing one new Pentium computer, a Network printer and related software licensing for each District Office at an estimated cost of $3,065 for a total cost of $33,715 for the 11 District Offices. Other one-time costs associated with establishing the new District Offices are identified on the attached budget and include costs for Telecommunications and Information Services

(TIS) and Pacific Bell (PacBell). Based on costs reflected in the attached budget, such one-time costs are estimated at approximately $366,788.

4. The Budget Analyst notes that the ongoing costs in the attached budget actually reflect a full year of expenses, rather than only six months of costs for FY 2000-01, and therefore the Budget Analyst recommends that such ongoing costs be reduced by 50 percent, as shown in the revised amounts reflected in the Attachment. Based on these reductions, the FY 2000-01 revised budget reflects a total one-time and ongoing cost of $724,222, or $60,433 less than the $784,655 original budget.

Separating the one-time expenditures from the ongoing expenditures in the proposed six month budget for FY 2000-01, the Budget Analyst estimates that the ongoing costs of operating 11 new District Offices would range from approximately $582,867 to $714,867 annually, depending on actual lease payments.

5. According to Ms. Young, funding for the proposed additional costs of $724,222 in FY 2000-01 and an estimated $582,867 to $714,867 on an ongoing basis would need to be provided by the City's General Fund.

6. In addition, Ms. Young advises that there are likely to be other costs associated with establishing 11 District Offices for the Board of Supervisors. For example, Ms. Young notes that City Hall currently has significant security that might need to be provided in other locations. Ms. Young notes that other costs, such as (1) transportation or mileage reimbursement expenses for the Supervisors' staff, MIS support or travel costs for the Clerk's Office staff, (2) fax machines at an estimated $12,500 for the 11 District Offices, (3) copiers at an estimated $66,000 purchase price for the 11 District Offices, (4) additional newspaper or magazine subscriptions, first aid kits and other supplies ($2,500 per Supervisor or $27,500 for the 11 District Offices), (5) additional utility, maintenance

and repair expenses and (6) additional Board of Supervisor staff salary and fringe benefit costs may also be needed. However, as of the writing of this report, Ms. Young could not provide an estimate of the total costs associated with these potential District Office expenses.

Ms. Young also cautions that such expenses do not include various other costs that may be associated with holding additional off-site Board of Supervisors meetings, such as translator costs ($500-$700 per meeting), costs to purchase a mobile public address system ($15,000), DTIS' Citywatch costs for 22 Board of Supervisors or Committee meetings each year ($75,000-$80,000), a van for off-site transportation for MIS support ($45,000-$50,000) and an unidentified amount for the Clerk of the Board staff's overtime expenses.

7. Currently, each member of the Board of Supervisors has two 1835 Legislative Assistant positions and one 1364 Special Assistant V position. In accordance with the Supplemental Appropriation and Salary Ordinances (Files 101-97-9 and 102-97-3), that created and initially funded the 1364 Special Assistant V positions, these 11 staffpositions are scheduled to terminate on January 8, 2001. Therefore, each member of the Board of Supervisors is likely to have fewer staff in January of 2001.

8. On September 7, 1999 the Legislative Analyst's Office issued a report on the budgets and policies associated with district offices in other California cities. The Legislative Analyst's Office surveyed the following six California jurisdictions that either have Board of Supervisors or City Council Districts: (1) City of Oakland, (2) Santa Clara County, (3) Santa Cruz, (4) Santa Barbara County, (5) Long Beach and (6) City of Los Angeles. According to the Legislative Analyst's report, most of these other California jurisdictions do not have separate district or satellite offices. Those California jurisdictions that do have separate district offices often rely on campaign funds, donated facilities or

are part of other public services provided in the area.

9. Based on the assumptions identified above and as shown in the Attachment, the six-month costs in FY 2000-01 to create 11 District Offices could be reduced by $60,433 from $784,655 to $724,222. However, additional costs as identified above, may be necessary to fully fund District Offices in their first year of operation.

Recommendation: Approval of the proposed motion is a policy matter for the Board of Supervisors.

BUDGET PROPOSALS FOR DISTRICT OFFICES
BOARD OF SUPERVISORS

SUB OBJECT	SUB-OBJECT TITLE		2000-01 PH B BASE AMOUNT	FY 2000-01 REVISED AMOUNT
03000	Rents & Leases-Bldgs & Structures		550,000	$550,000
04999	Other Materials & Supplies		33,715	33,715
	Local hardware and software:			
	One Pentium computer w/ network card, including monitor	1,700		
	One Network Printer	800		
	Software License: Microsoft Office	525		
	Software License: cc:Mail	40		
	Estimate Total	3,065		
	For 11 District Offices	33 715		
081C5	IS-TIS-ISD Services		137,760	101,117
	ONE-TIME COST		64,473	
	District Office Router & DSU	42,405		
	City Hall Router/DSU	7 148		
	Installation & Setup for District Office	13,200		
	Installation & Setup for City Hall	1,200		
	City Hall Inhouse Wiring	520		
	ONGOING COSTS:			
	District Office Router/DSU Maintenance	3,993	1,997*	
	City Hall Router/DSU	502	251*	
	Ongoing Support District Offices Plus City Hall	9 792	4,896*	
	Pass thru cost - Telephone	59 000	29,500*	
	TOTAL	137 760		
081ET	GF-TIS-Telephone		41 790	39,390
	ONE-TIME COST		15,600	
	Pac Bell: FT-1 Frame Relay Circuit Installation at District Offices	14 300		
	Pac Bell: FT-1 Frame Relay Circuit Installation at City Hall	1 300		
	ONGOING COSTS:			
	PacBell Circuit To District Offices	41 800	21,450*	
	PacBell Circuit To City Hall	4 490	2,340*	
	TOTAL	61 790		
TOTAL BUDGET REQUEST FY 2000-01			784 668	$724,222

* Amounts reduced to reflect six months instead of 12 months.

Memo to Finance and Labor Committee
May 3, 2000 Finance and Labor Committee Meeting

Item 20 - File 00-0691

Department: Department of Telecommunications and Information Services (DTIS)

Item: Hearing to consider release of reserved funds in the amount of $1,342,659 for the development of the JUSTIS System intended to replace the aging cable system in the San Francisco City and County Departments which handle criminal justice matters (Police Department, Sheriff's Department, District Attorney's Office, Public Defender's Office, Adult Probation, and Superior Court).

Amount: $1,342,659

Source of Funds: FY 1999-2000 DTIS budget

Description: During the FY 1999-2000 budget review, the Board of Supervisors appropriated and reserved $1,577,963 for the development of the JUSTIS System for the City's criminal justice Departments, which is designed to replace the existing computer system known as CABLE. At that time, the projected FY 1999-2000 cost for the JUSTIS System project was $1,790,463, of which an undetermined amount would be paid from City General Fund funds and an undetermined amount would be paid from State Trial Court funds. Pending determination of the amount to be paid by General Fund monies and the amount to be paid by State Trial Court funds for development of the JUSTIS System, the Board of Supervisors appropriated and reserved $1,577,963 of the estimated $1,790,463 JUSTIS System FY 1999-2000 project costs.

DTIS is now requesting release of $1,342,659, or $215,304 less than the reserved amount of $1,577,963. According to Ms. Kathryn Hile of DTIS, the requested $1,342,659 in reserved funds equals 75 percent of the estimated JUSTIS System FY 1999-2000 project costs. Ms. Hile states that the remaining $447,616 ($1,790,463 less $1,342,659), or 25 percent, would be paid by State Trial Court funds.

Approval of the requested release of reserved funds would authorize DTIS to expend $1,342,659 on development of the

JUSTIS System, and retain $215,304 of the original appropriation of $1,577,963 on reserve.

Budget:

The for the proposed expenditure of $1,790,463 in FY 1999-2000 for the JUSTIS System is as follows:

DTIS Staff	$431,398
Contractual Services	1,274,315
Data Storage Software	84,750
Total	**$1,790,463**

Comments:

1. Ms. Hile advises that DTIS has expended $1,288,778 as of March 31, 2000, on DTIS staff ($93,072) and contractual services ($1,195,706) for development of the JUSTIS System project. The Attachment, provided by Ms. Hile, is an explanation of DTIS expenditures, totaling $1,288,778, and why such expenditures were made prior to release of the reserved funds by the Board of Supervisors.

2. According to Ms. Hile, DTIS has requested $7,200,000 in the FY 2000-2001 budget for additional expenditures related to the JUSTIS System project. Ms. Hile states that DTIS is requesting that any FY 1999-2000 funds not expended as of June 30, 2000 (including $215,304 on reserve and any remaining unexpended funds from the requested $1,342,847) be carried over into FY 2000-2001.

3. Ms. Hile states that contractual services in FY 1999-2000 have been provided by consultants from TechProse, Inc. Ms. Hile states that DTIS issued a Request for Qualifications to Information Technology consultants registered with the Purchaser's Office and the Human Rights Commission and selected TechProse, Inc. based upon their qualifications. As noted above, DTIS has expended $1,195,706 as of March 31, 2000, on contractual services provided by TechProse. Ms. Hile reports that the hourly rate for such services ranges from $125 to $150 per hour, but as of the writing of this report, DTIS was not able to provide the hours of contractual services accrued as of March 31, 2000.

4. Ms. Hile states that development and implementation of the JUSTIS System is expected to take approximately 3

years at an estimated total cost of $14,000,000. According to Ms. Hile, the percentage of costs paid by the City General Fund and by State Trial Court funds would be determined annually, depending on the type of work to be performed, on the application of the work to the Trial Courts, and on legal restrictions regarding expenditure of State Trial Court funds.

4. According to Mr. Ron Hass of DTIS, the JUSTIS System is replacing the existing computer system which has become obsolete. Mr. Hass states that for the past 25 years, the City's Departments with criminal justice responsibilities (Adult Probation, District Attorney's Office, Public Defender's Office, Superior Court, Police Department, and the Sheriff's Department) have had an integrated computer system, allowing the Departments to access information regarding bookings, arraignment hearings, assignment of attorneys, and other matters. Mr. Hass states that the existing system does not have the capacity for (a) Departments to develop computerized case management systems, or (b) to communicate with the new Departmental systems, such as the new Police 911 system, which manages Police Department records. According to Mr. Hass, the new JUSTIS System would consist of (a) a central core data warehouse for Department and 911 information, from which the Departments could access and retrieve information, and (b) a computerized case management system within each Department.

5. Mr. Hass states that DTIS has issued Requests for Proposals (RFP) to acquire case management systems for Adult Probation, Sheriff's Department, District Attorney's Office, Public Defender's Office, and Superior Court. According to Mr. Hass, no contractors have been selected yet. The estimated cost for acquisition of the case management systems is approximately $2,500,000, which has been included in the FY 2000-2001 DTIS budget as part of the total FY 2000-2001 DTIS request of $7,200,000 for the JUSTIS System.

Recommendation: Approval of the requested release of reserved funds is a policy matter for the Board of Supervisors because funds have been expended prior to obtaining Board of Supervisors authorization.

Attachment

CITY AND COUNTY OF SAN FRANCISCO

DEPARTMENT OF TELECOMMUNICATIONS AND INFORMATION SERVICES

Liza Lowery
Executive Director
Telephone: (415) 554-0801

Kathryn Hile
Deputy Director
Administration and Finance
Telephone: (415) 554-5715

TO: Severin Campbell
Budget Analyst

FROM: Kathryn Hile
Deputy Director
Administration and Finance

SUBJ: Request for Release of Reserve

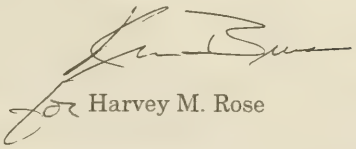
DATE: April 27, 2000

When the Board of Supervisors and the Mayor's Office placed the JUSTIS funds on reserve, the reason was to resolve a question of how much of the total budget of $1,790,463 would be paid from the General Fund and how much would be paid by the Trial Courts. There was ever any expressed question on the part of the Board members or the Mayor's Office of the merit of the project. Given the intent of the request for reserve, we did not understand that we should not have incurred the expenses prior to the release of reserve.

The Department of Telecommunications and Information Services billing system is set up on a reimbursement basis. We operate by performing the work first and then billing back the charges later. Since we did not believe that anyone intended for the project to be delayed, only that a fundamental question of funding be resolved we continued to work on the project while the negotiations concerning the funding continued. We have not yet been reimbursed for the expenses.

Unfortunately, the resolution to the problem took much longer than we anticipated. We apologize for the delay and for prematurely expending the funds. We did not mean any disrespect to the Board of Supervisors by this action.

Memo to Finance and Labor Committee
May 3, 2000 Finance and Labor Committee Meeting



for Harvey M. Rose

Supervisor Yee
Supervisor Bierman
President Ammiano
Clerk of the Board
Controller
Steve Kawa

[All Committees]
Government Document Section
Main Library

City and County of San Francisco
Meeting Minutes
Finance and Labor Committee

Members: Supervisors Leland Yee, Sue Bierman, Tom A.....

Clerk: Mary Red

Wednesday, May 10, 2000 | **10:00 AM** | **City Hall, Room 263**

Regular Meeting

Members Present: Leland Y. Yee, Sue Bierman, Tom Ammiano.

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Meeting Convened

The meeting convened at 10:09 a.m.

000439 **[Requirements Suspended for Certain Transient Merchants - Licensing Requirements]**
Supervisor Leno

Ordinance amending Article 3 of Part III of the San Francisco Municipal Code, (Business and Tax Regulations Code) by adding Section 258 to suspend application of licensing and other requirements for transient merchants.

(Adds Section 258)

3/13/00, ASSIGNED UNDER 30 DAY RULE to Finance and Labor Committee, expires on 4/12/2000.

4/26/00, CONTINUED. Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Marti Paschal, Supervisor Leno's Aide; Jack Moerschbaecher, Director, S.F. Convention Facilities; Supervisor Ammiano; Susan Leal, Treasurer; Richard Sullivan; Supervisor Yee. Continued to May 3, 2000.

5/3/00, AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE. Heard in Committee. Speakers: Ken Bruce, Budget Analyst; Supervisor Yee; Susan Leal, Treasurer; Jack Moerschbaecher, Director, S.F. Convention Facilities; Marti Paschal, Supervisor Leno's Aide; Tom Owen, Deputy City Attorney; Richard Sullivan.

5/3/00, CONTINUED AS AMENDED. Continued to May 10, 2000.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Supervisor Mark Leno.

RECOMMENDED by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

000680 **[Parking Authority Lease Revenue Bonds - North Beach Parking Garage Project]**

Ordinance approving the issuance of Lease Revenue Bonds of the Parking Authority of the City and County of San Francisco; approving the execution and delivery of a project lease between the Authority, as lessor and the City, as lessee (including certain indemnification provisions therein); approving the form and circulation of an official statement relating to said Bonds; authorizing the payment of certain costs of issuance from the proceeds of such Bonds; correcting legal title to the property; ratifying previous actions taken in connection with the foregoing matters; and authorizing the taking of appropriate actions in connection therewith. (Mayor)

(Fiscal impact.)

4/12/00, RECEIVED AND ASSIGNED to Finance and Labor Committee

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Ron Szeto, Deputy Director, Department of Parking and Traffic; Supervisor Yee; Bob Davis, Director, Parking Authority; Supervisor Ammiano, Joan Wood; Arthur Chang; Cathy Brandhorst; Supervisor Yee; Supervisor Bierman.

RECOMMENDED by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

000745 **[Appropriating $1.4 million in 1994 Parking Meter Revenue Bond proceeds to begin construction of the North Beach Garage]**

Mayor

Ordinance appropriating $1,400,000 from interest earnings and project balances in the 1994 Parking Meter Revenue Bond Fund to fund Phase I construction of the North Beach Garage Project, for the Department of Parking and Traffic, for fiscal year 1999-2000.

(Fiscal impact.)

4/24/00, RECEIVED AND ASSIGNED to Finance and Labor Committee

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Ron Szeto, Deputy Director, Department of Parking and Traffic; Supervisor Yee; Bob Davis, Director, Parking Authority; Supervisor Ammiano; Joan Wood; Arthur Chang; Cathy Brandhorst; Supervisor Yee; Supervisor Bierman

RECOMMENDED by the following vote:

Ayes: 3 - Ammiano, Yee, Bierman

000574 **[Fire Code - Increase Fees for Services]**

Ordinance amending Part II, Chapter IV of the San Francisco Municipal Code (Fire Code) by amending Section 106 to increase fees for services and by amending Article 90 to require fire pumps to be capable of operating on emergency power. (Fire Department)

(Amends Section 106 and Article 90.)

4/12/00, RECEIVED AND ASSIGNED to Finance and Labor Committee

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Supervisor Yee; Assistant Deputy Chief Garry Massetani, Fire Marshall; Captain Tom Harvey, Fire Department; Ken Bruce, Budget Analyst's Office; Cathy Brandhorst. Continued to May 24, 2000

CONTINUED by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

000735 **[Employee Health Coverage]**

Ordinance amending Section 16.157, San Francisco Administrative Code, approving Health Service System Plans and Rates of Contribution as adopted by the Health Service Board. (Human Resources Department)

(Amends Section 16.157.)

4/24/00, RECEIVED AND ASSIGNED to Finance and Labor Committee

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Bart Duncan, Acting Director, Health Service System.

RECOMMENDED by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

000763 **[Accept and Expend Federal Grant - Mayor' s Summer Food Service Program]**

Mayor

Resolution authorizing the Department of Children, Youth and Their Families to accept and expend a grant in the amount of $528,000 from the United States Department of Agriculture (USDA) for the Mayor's Summer Food Service Program.

4/24/00, RECEIVED AND ASSIGNED to Finance and Labor Committee.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Camille Broussard, Department of Children, Youth and Their Families; Supervisor Yee; Cathy Brandhorst.

RECOMMENDED by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

000731 **[Reserved Funds, Mayor's Office of Community Development]**

Hearing to consider release of reserved funds, Mayor's Office of Community Development (1999 Emergency Shelter Grants Program: Resolution No. 109-99), in the amount of $39,934 to be used for the First Response Outreach Team to improve access to City services for the homeless. (Mayor)

4/19/00, RECEIVED AND ASSIGNED to Finance and Labor Committee.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Jon Pon, Mayor's Office of Community Development; Joyce Miller, Coalition on Homelessness.

APPROVED AND FILED by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

000276 **[Planning Code amendment to rename "Office Affordable Housing Production Program" as the "Jobs-Housing Linkage Program" and to apply the program to hotel, entertainment, and retail space according to square footage]**

Supervisor Ammiano

Ordinance amending Article III, Chapter II, Part II of the San Francisco Municipal Code (Planning Code) by amending Sections 313, 313.1, 313.2, 313.3, 313.4, 131.5, 313.6, 313.7, 313.8, 313.9, 313.10, 313.11, 313.12, 313.13, and 313.14, and by adding Section 313.15, to rename the "Office Affordable Housing Production Program" as the "Jobs-Housing Linkage Program," to apply the program to all new and expanded hotel space of at least 25,000 square feet, to all new and expanded entertainment space of at least 50,000 square feet, and all new and expanded retail space of at least 100,000 square feet, and to all new and expanded research, development space of at least 50,000 square feet, and by amending Section 314.1 of the childcare ordinance to conform to the new definition of "Hotel."

2/9/00, PREPARED IN COMMITTEE AS AN ORDINANCE. Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Julian Low, Supervisor Katz's Aide; Gerald Green, Director of Planning; Supervisor Bierman; Supervisor Ammiano; Ted Lakey, Deputy City Attorney; Calvin Welch; Jim Gonzalez, Information Technology Coalition; Marie Jones, S.F. Partnership; Robert McCarthy; Chris Moore. To be referred to City Planning for review and comments.

2/9/00, CONTINUED TO CALL OF THE CHAIR. 2/15/00, Referred to City Planning Commission 3/22/00, From City Planning, will not be able to hear this item until May 15.

Heard in Committee. Speakers: Supervisor Ammiano; Calvin Welch, Council of Community Housing; Sue Hestor; Chris Daly, Mission Agenda; Beryl Magilavy; Joyce Miller; Marie Jones, S. F. Partnership; Cathy Brandhorst. Referred to City Planning Commission.

AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE.

Ordinance amending Article III, Chapter II, Part II of the San Francisco Municipal Code (Planning Code) by amending Sections 313, 313.1, 313.2, 313.3, 313.4, 131.5, 313.6, 313.7, 313.8, 313.9, 313.10, 313.11, 313.12, 313.13, and 313.14, and by adding Section 313.15, to rename the "Office Affordable Housing Production Program" as the "Jobs-Housing Linkage Program," to apply the program to all new and expanded hotel space of at least 25,000 square feet, to all new and expanded entertainment space of at least 50,000 square feet, to all new and expanded e-commerce retail space of at least 50,000 square feet, and all new and expanded retail space of at least 100,000 square feet, and to all new and expanded research, development and technology business service space of at least 25,000 square feet, and by amending Section 314.1 of the childcare ordinance to conform to the new definition of "Hotel" and add a definition of research, development and technology business service space, and to apply the childcare mitigation requirement to all new and expanded research, development and technology business service space of at least 25,000 square feet.

(Amends Sections 313, 313.1, 313.2, 313.3, 313.4, 131.5, 313.6, 313.7, 313.8, 313.9, 313.10, 313.11, 313.12, 313.13, 313.14, and 314.1; and adds 313.15.)

Continued to call of the chair

CONTINUED AS AMENDED by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

000718 **[San Francisco General Hospital In-Patient Pharmacy]**

Supervisor Ammiano

Hearing to consider progress implementing proposed staffing increases for the capital improvements to the San Francisco General Pharmacy approved by the Board of Supervisors during the fiscal year 1999-2000 budget; expenditures on registry staff during the current fiscal year; implementation of the policy to eliminate co-payments for patients under 200% the level of poverty; current wait times at the pharmacy; proposed plans to privatize pharmacy functions and cost benefits of the proposal; whether the Department of Public Health can issue an RFP for pharmacy functions without Board approval and prior to adoption of the fiscal year 1999-2001 budget; how many drugs will be available to patients through private pharmacies, if the plan is approved by the Mayor and the Board of Supervisors; and other matters related to the current operation of the pharmacy and the proposed plan to privatize its functions.

4/17/00, RECEIVED AND ASSIGNED to Finance and Labor Committee

Heard in Committee. Speakers: Ken Bruce, Budget Analyst's Office; Supervisor Ammiano; Jeff Wong, Pharmacist, San Francisco General Hospital (SFGH) and Walgreens; Dr. Joe Roll, SFGH; Kay Davis, Social Worker, SFGH; Elyse Miller, Case Manager, SFGH; Judith Sansome, Nurse Practitioner, SFGH; Father Ignatius, St. Anthony's Church; Richard Marquez, Mission Agenda; Fern Ebeling, Nurse, SFGH; Clifford Wong; Berta Chacon; Lynn Carman; Kim Gross; Larry Bradshaw, Paramedic, Fire Department; Marie Crispi; Walker Dukes; Nora Roman, Nurse, SFGH; Shannon Coughlin, Coalition to Save Public Health; Lydia Santano, S.F. Organizing Project; Jeff Meredith; Fred Mayer, Pharmacy Planning Services, Inc.; Cari Pouchnik, Paramedic, Fire Department; Cathy Brandhorst; Dr. Mitchell Katz, Director of Health

CONTINUED TO CALL OF THE CHAIR by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

000216 **[Transportation for Welfare to Work participants]**

Supervisor Bierman

Hearing to determine what, if any, measures have been adopted by Muni to ensure that those participating in the Welfare to Work programs are provided with adequate means of reaching their places of employment, especially transportation for nighttime employees, particularly those employed at the San Francisco Airport.

1/31/00, RECEIVED AND ASSIGNED to Transportation and Land Use Committee.

3/28/00, TRANSFERRED to Finance and Labor Committee.

4/5/00, CONTINUED TO CALL OF THE CHAIR.

Heard in Committee. Speakers: Joyce Miller, Coalition on Homelessness. Continued to July 19, 2000.

CONTINUED by the following vote:

Ayes: 2 - Yee, Bierman
Absent: 1 - Ammiano

000472 **[Chapter 12D Annual Report]**

Hearing to consider the Minority/Women/Local Business Utilization Chapter 12D annual report for March 2000. (Human Rights Commission)

3/20/00, RECEIVED AND ASSIGNED to Finance and Labor Committee. With request to report back to Board no later than May 15, 2000.

Heard in Committee. Speakers: Virginia Harman, Interim Director, Human Rights Commission; Supervisor Yee; Cathy Brandhorst.

FILED by the following vote:

Ayes: 2 - Yee, Bierman
Absent: 1 - Ammiano

000523 **[Chapter 12D Quarterly Report]**

Hearing to consider the Minority/Women/Local Business Utilization Chapter 12D Department Performance quarterly report for March 2000. (Human Rights Commission)

3/20/00, RECEIVED AND ASSIGNED to Finance and Labor Committee.

Heard in Committee. Speakers: Virginia Harman, Interim Director, Human Rights Commission; Supervisor Yee; Cathy Brandhorst.

FILED by the following vote:

Ayes: 2 - Yee, Bierman
Absent: 1 - Ammiano

ADJOURNMENT

The meeting adjourned at 1:00 p.m.

[Budget Analyst Report]
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CITY AND COUNTY OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST

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May 4, 2000

TO: Finance and Labor Committee

FROM: Budget Analyst

SUBJECT: May 10, 2000 Finance and Labor Committee Meeting

Note: This item was continued from the May 3, 2000, Finance and Labor Committee meeting.

Item 1 - File 00-0439

Department: Treasurer/Tax Collector

Item: Ordinance amending Article 3 of Part III of the San Francisco Municipal Code (Business and Tax Regulations Code), by adding Section 258 to suspend application of licensing and other requirements for transient merchants.

Description: On May 3, 2000, the Finance and Labor Committee recommended approval of Ordinances amending Part III, Article 3, Sections 250, 251, 252, 253, 254, 255, and 257 of the Municipal Code (Business and Tax Regulations Code which would address City regulations concerning transient merchants (Files 00-0432, 00-0433, 00-0434, 00-0435, 00-0436, 00-0437, and 00-0438). The subject Ordinance (File 00-0439) would amend Article 3 of Part III of the San Francisco Municipal Code by adding a new Section 258 which would suspend the application of licensing and other requirements for transient merchants. Approval of the proposed Ordinances (Files 00-0432 through 00-0438) by the Board of Supervisors would amend Sections 250, 251, 252, 253, 254, 255, and 257, establishing a new definition

for transient merchants and new licensing and other requirements for transient merchants. Approval of the subject Ordinance (File 00-0439) would add Section 258, which provides that all transient merchants are not required to (a) apply for a transient merchant license under Section 252, (b) obtain a transient merchant license under Section 250, and (c) post a $5,000 bond with the Tax Collector's Office under Section 255 during the suspension period. Under the proposed Ordinance, the suspension period would commence on the effective date of the subject Ordinance and would end thirty (30) days after a vote by the Board of Supervisors for its repeal.

The new transient merchant definition, licensing and other requirements, contained in the amended Sections 250, 251, 252, 253, 254, 255, and 257, which were recommended for approval by the Finance and Labor Committee on May 3, 2000, are as follows:

- The amended Section 251 defines a transient merchant as a temporary business, which (a) conducts business in San Francisco for less than seven days in any calendar year, (b) sells and delivers goods, wares, and merchandise, other than food or food products, and (c) hires, leases, uses or occupies any building, structure, shop, tent, railroad boxcar, boat, or room in any hotel, motel auto court, or apartment for the exhibition and sale of such goods, wares, and merchandise. The definition of transient merchant excludes (a) persons, firms or corporations who exhibit samples only for the purpose of securing orders for future delivery, (b) sales at public auctions regulated by the provisions of the Police Code and Part III of the Municipal Code, and (c) the sale of Christmas trees and pumpkins.

- The amended Section 250 would require all transient merchants to obtain a license from the City and provides for enforcement of Article 3 provisions by the issuance of administrative citations, except as provided in Section 258. Section 252 contains the requirements for applying for a transient merchant license. The proposed new Section 258 would suspend these sections for all transient merchants, including those occupying space at Moscone Center and Bill Graham Civic Auditorium as

originally proposed, and other locations, thereby eliminating the requirement that transient merchants obtain a license during the suspension period.

- The amended Section 253 would reduce the quarterly license fee from $500 to $150 and eliminate the Gross Receipts tax during the suspension period. Under the proposed new Section 258, transient merchants would not be required to obtain a license during the suspension period, and therefore, would not be subject to the quarterly license fee during the suspension period.

- The amended Section 254 would eliminate the requirement that transient merchants file quarterly reports with the Tax Collector during the suspension period defined in Section 258. Under the proposed new Section 258, the suspension period would commence on the effective date of the subject Ordinance and would end thirty days after a vote by the Board of Supervisors for its repeal.

- The amended Section 255 would require all transient merchants who are required to obtain a license to post a $5,000 bond. Under the proposed new Section 258, all transient merchants are exempted from the requirement to post a $5,000 bond during the suspension period.

- The amended Section 257 would eliminate criminal sanctions for violations of Article 3 during the suspension period.

- The proposed new Section 258 would eliminate the licensing requirements for all transient merchants, including those who occupy space at Moscone Center, Bill Graham Civic Auditorium, and other locations, during the suspension period. The suspension period would commence on the effective date of this ordinance and end thirty days after a vote by the Board of Supervisors for its repeal.

In summary, the Finance and Labor Committee recommended approval of several Ordinances amending Part III, Article 3, Sections 250, 251, 252, 253, 254, 255, and 257 of the Municipal Code (Business and Tax

Regulation Code) on May 3, 2000. These amended sections would (a) define transient merchants as temporary businesses selling and delivering merchandise, goods, and wares in the City for less than seven days in any calendar year, (b) require transient merchants to obtain licenses, in accordance with Section 258, (c) reduce quarterly license fees from $500 to $150, eliminate the Gross Receipts tax, eliminate the quarterly reporting requirement to the Tax Collector, and eliminate the $5,000 bond requirement during the suspension period as defined by Section 258, and (d) eliminate criminal sanctions for violations of Article 3 during the suspension period and establish administrative citations to enforce Article 3 provisions.

This proposed Ordinance substitutes a new Section 258 which would eliminate the licensing and bonding requirements contained in Sections 250, 252, and 255, for all transient merchants, including transient merchants occupying space at Moscone Center, Bill Graham Civic Auditorium, and other locations, during the suspension period. Therefore, transient merchants would not be required to obtain a license, pay the quarterly license fee, or post a bond during the suspension period. The suspension period would commence on the effective date of the proposed Ordinance and would end thirty days after a vote by the Board of Supervisors for its repeal.

Comments:

1. The proposed changes to the regulations governing transient merchants in the amended Sections 250, 252, 253, 254, 255, and 257 would be in effect during the suspension period. Repeal of the subject Ordinance (File 00-0439) would end the suspension period thirty days after a vote by the Board of Supervisors if the Board of Supervisors voted for its repeal. The subject Business and Tax Regulations Code Sections, which were in effect prior to the commencement of the suspension period, would be re-established thirty days after the repeal of the proposed suspension period if the Board of Supervisors were to vote for its repeal. Therefore, the previous licensing, bonding, and reporting requirements and applicable fees would be reinstated for all transient merchants.

2. The Budget Analyst reported, in his report to the Finance and Labor Committee on April 26, 2000, that the

Tax Collector's Office collected a total of $41,234 from transient merchant quarterly license fees and Gross Receipts taxes in FY 1998-1999. As of March 31, 2000, the Tax Collector's Office collected approximately $16,000 from transient merchant fees and taxes for FY 1999-2000. Based on revenues for the first 9 months of FY 1999-2000, the Budget Analyst projected that transient merchant fees and taxes for FY 1999-2000 would be approximately $21,333. Approval of the proposed Ordinance would suspend transient merchant license and fee requirements, resulting in a reduction of revenue to the City from such fees of approximately $21,333 to $41,234 annually.

Recommendation: Approval of the proposed Ordinance is a policy matter for the Board of Supervisors.

Items 2 and 3 – Files 00-0680 and 00-0745

Departments: Department of Parking and Traffic (DPT)
Parking Authority
Mayor's Office of Public Finance

Items: File 00-0680: Ordinance approving the issuance of Lease Revenue Bonds in an amount not to exceed $8,500,000 by the Parking Authority to finance the construction of the North Beach Parking Garage Project, approving the execution and delivery of a Project lease between the Parking Authority, as lessor, and the City, as lessee (including certain indemnification provisions therein), approving the form and circulation of an official statement relating to such bonds, authorizing the payment of certain costs of issuance from the proceeds of such bonds, correcting the legal title to the property, ratifying previous actions taken in connection with the foregoing matters, and authorizing the taking of appropriate actions in connection therewith.

File 00-0745: Ordinance appropriating $1,400,000 from interest earnings and project balances in the 1994 Parking Meter Revenue Bond Fund to fund Phase 1 of the construction of the North Beach Parking Garage Project.

Amounts: $8,500,000 - Lease Revenue Bonds (subject to later appropriation by the Board of Supervisors)

1,400,000 - Interest Earnings and Project Balances Appropriated for the Proposed Project

Source of Funds: Lease Revenue Bond Proceeds
Interest Earnings and Project Balances from the 1994 Parking Meter Revenue Bond Fund

Description: Under the proposed legislation (File 00-0680), the Parking Authority is requesting that the Board of Supervisors approve the issuance of $8.5 million of lease revenue bonds and the related necessary documents in order to finance the construction of the North Beach Parking Garage. The proposed accompanying legislation (File 00-0745) requests that the Board of Supervisors approve appropriation of an additional $1.4 million to be

used to finance the initial three months of construction and related architectural and project management costs for the North Beach Parking Garage, prior to the issuance and appropriation of the proposed $8.5 million lease revenue bonds.

In November of 1987, voters approved Proposition F which authorized the Parking Authority to issue lease revenue bonds to fund the construction of parking lots and parking garages in certain San Francisco neighborhoods. Although there was no specific dollar amount set forth in Proposition F for a North Beach Garage Project, the North Beach/Broadway area was one of the eight specific areas authorized for construction of a parking lot or garage. As stated in the November of 1987 voter handbook, Proposition F requires that the Parking Authority lease the parking garages to the City and that the City make the lease payments on the Lease Revenue Bonds from the City's General Fund. In accordance with Proposition F, the General Fund would then be reimbursed from the parking revenues which accrue to the City's Offstreet Parking Fund (now known as the Parking Revenue Fund). The Parking Revenue Fund currently receives parking revenues primarily from City-owned parking lots, garages and parking meters.

The proposed North Beach Parking Garage would be located at 735-755 Vallejo Street, between Stockton Street and Turk Murphy Alley (Lots 23 and 25 in Assessor's Block 147). Lot 23 previously contained a two-story garage, known as the North Beach Parking Garage and Lot 25 contained a surface parking lot. The previous North Beach Parking Garage was a privately-owned and operated, self-parking facility with 48 parking spaces delineated by painted lines. The adjacent parking lot had 34 parking spaces delineated by painted lines. The site has an overall area of approximately 18,906 square feet. In total, the North Beach Parking Garage and Lot had 82 parking spaces available to self-parkers. If the Garage and Lot were filled with vehicles parked by valets, who were able to park cars more densely than the areas delineated by painted lines, then the Garage and Lot had a capacity of approximately 115 vehicles, according to Mr. Ron Szeto of the Department of Parking and Traffic.

Currently, Police Officer vehicles are parked on the site (see Comment No. 7 for additional details).

In 1992, the Parking Authority, using parking revenues from the Offstreet Parking Fund, as appropriated by the Board of Supervisors (File 101-88-117), purchased the privately-owned North Beach Parking Garage and the adjacent parking lot for approximately $4.7 million in anticipation of constructing a City parking garage for public use. In 1993, DPT contracted with Tai Associates at a cost of approximately $250,000 for the design of a seven-level, 330 space self-parking garage with the intention of receiving either a variance from the height and bulk restrictions of the North Beach RH2 residential zone or a rezoning of the property. However, after several years of public meetings and efforts by DPT to earn approval of the proposed design, such permission was denied by the Planning Commission because the neighbors objected to the size of the structure.

In 1997, DPT decided to obtain a new scaled down design from the Department of Public Works' Bureau of Architecture at a cost of $360,000 for a four-story, 203 space self-parking garage, including 11 bicycle parking spaces, which was within the height and bulk limits defined for the RH2 zone. Mr. Szeto advises that if the garage were filled with vehicles parked by valets, who are able to park vehicles more densely than the areas delineated by painted lines, the proposed new North Beach Parking Garage would have a capacity of approximately 300 vehicles. The proposed design was approved by the Planning Commission in November of 1997 and the Capital Improvement Advisory Committee (CIAC) in December of 1997.

According to Mr. Szeto, DPT demolished the old North Beach Parking Garage in April of 1998 at a cost of $232,447 with the proceeds from the Parking Authority's Parking Meter Revenue Bonds, Series 1994. Following demolition, DPT paved the former Garage area, thereby joining it to the existing adjacent parking lot to serve as one paved parking lot.

Total Project Cost: $15,947,093

Attachment I, provided by Mr. Szeto includes a summary budget, which identifies both the revenues sources and expenditures for the North Beach Parking Garage Project. As shown in Attachment I, total costs of $6,014,759 have been incurred on this Project to March of 2000. These costs have been paid from appropriations totaling $6,047,093 from the Parking Revenue Fund ($5,418,499) and from previously authorized 1994 Parking Meter Revenue Bonds ($628,594).

In addition to the $4,685,000 which DPT paid to purchase the property in 1992, an additional $1,329,759 in costs ($6,014,759 total expenditures incurred, less $4,685,000 acquisition costs) for the contractor and in-house Garage plans and designs, demolition of the previous garage, Department of Building Inspection (DBI) Plan Check and Permits, construction management and art enrichment have already been incurred on this project.

Additional project costs of $7,937,517, including $5,986,312 for the construction, are identified in Attachment I, for a total direct project cost of $13,952,276, including the amounts previously expended.

However, Attachment I only identifies $6,505,183 of the total requested $8,500,000 from the Series 2000 Lease Revenue Bonds, which are the subject of the proposed request. As shown in the footnote on Attachment I, the $6,505,183 is the minimum amount needed from the $8.5 million Lease Revenue Bonds to finance the balance of the Project. Therefore, the total actual project costs are $15,947,093 ($13,952,276 direct project costs as shown in Attachment I plus $1,994,817 of additional costs associated with the $8.5 million Lease Revenue Bond).

As shown in Attachment II, provided by Ms. Karen Ribble of the Mayor's Office of Public Finance, based on conservative interest rate assumptions, approximately $6,608,032 of the $8.5 million Lease Revenue Bonds are estimated to be available for the project, or approximately $102,849 more than the amount shown in Attachment I. However, Ms. Sarah Hollenbeck of the Mayor's Office of

Public Finance advises that the proposed ordinance authorizes the issuance of up to $8.5 million of Lease Revenue Bonds for the North Beach Parking Garage and depending on the rates of interest at the time of issuance, only the actual amount of bonds needed for the proposed project will be issued. The difference of $1,891,968 ($8.5 million Lease Revenue Bonds less $6,608,032 available for the project) is the estimated costs of issuance of the bonds, the underwriter's discount and funding of a capitalized interest fund and debt service reserve fund for the proposed Lease Revenue Bonds, as identified in Attachment II. According to Ms. Ribble, these costs include 18 months of capitalized interest on the bonds and a debt service reserve that could be used to pay for the final year of debt service on the lease revenue bonds. Ms. Ribble notes that these are estimates since the actual interest costs, time period and issuance expenses cannot be determined precisely until the bonds are actually sold.

Comments:

1. According to Ms. Lisa-Anne Wong of the City Attorney's Office, there was a lawsuit against the City concerning the North Beach Parking Garage filed by a community organization called Snarled Traffic Obstructs Progress (STOP). STOP sued the City with charges of improper environmental review and violation of the Planning Code. On July 23, 1998, the City won the lawsuit in the Trial Court. However, STOP appealed this decision to the State Court of Appeals and on August 31, 1999, the City won this appeal. Subsequently, STOP petitioned the State Court of Appeals for rehearing, which was denied by the Court on September 23, 1999. STOP then filed a petition with the State Supreme Court to review the matter, and on November 23, 1999 the Supreme Court of California found in favor of the City. Ms. Wong advises that STOP cannot seek rehearing in the State Supreme Court on this matter, or seek review in the U.S. Supreme Court, and therefore this lawsuit is over.

2. Mr. Szeto provided Attachment III, which contains a list of the bidders and the amounts bid for the construction of the North Beach Parking Garage. As shown in Attachment III, the selected bidder is MH Construction Management Co., a local San Francisco

contractor, at a cost of $5,986,312. Mr. Szeto advises that the MH Construction Management Co. bid was the lowest responsive and responsible bidder because the two lower bidders did not meet the Human Rights Commission's (HRC) requirements.

3. Mr. Szeto advises that in 1994 the Parking Authority issued a $25 million bond to fund certain garage projects, including the San Francisco General Hospital Garage, the St. Mary's Square Garage renovation, the Polk/Bush Garage settlement costs and the demolition costs for the North Beach Garage. According to Mr. Szeto, of the original $25 million bond proceeds, it is estimated that approximately $1.4 million of unspent funds and earned interest is currently available to finance the initial three-month period of the North Beach Garage Project construction, which would begin as soon as appropriation of the $1.4 million of funds is approved. Mr. Szeto estimates that this initial three-month period would extend from approximately early June of 2000 through August of 2000. Mr. Szeto estimates that the construction of the new Garage will take approximately one year to complete, with the new North Beach Parking Garage anticipated to open for revenue operation by July of 2001. Mr. Szeto reports that the DPT will begin a competitive bid process during the Summer of 2000 to select the operator for the new Garage. The agreement with the parking operator will be subject to the Board of Supervisors approval.

4. According to Mr. Szeto, the proposed new North Beach Parking Garage would have a total of 203 self-parking spaces, which is an increase of 121 parking spaces over the 82 self-parking spaces available in the previous Garage. In addition, Mr. Szeto advises that the new Garage is anticipated to have 11 secure bicycle parking spaces. If valet parking is used, the Garage would have approximately 300 parking spaces, an increase of 185 valet parking spaces over the approximately 115 available in the old Garage.

5. Assuming a total North Beach Garage Project cost of $15,947,093, the Budget Analyst notes that the 203 self-parking spaces will cost approximately $78,557 each.

If valet parking is used, the estimated 300 parking spaces would cost approximately $53,157 each. Mr. Szeto advises that the last public parking facility that was built in San Francisco was the San Francisco General Hospital Parking Garage, constructed in 1995, at a total cost of $27,138 per parking space. Therefore, the proposed North Beach Garage Project will be approximately two to three times more expensive per space to construct than the San Francisco General Hospital Parking Garage. Mr. Szeto advises that the higher cost per space for the proposed North Beach Parking Garage is due to the higher land acquisition cost, the complexity of staging the construction in North Beach, the difference in the economies of scale between the two parking facilities and the increasing cost of construction and development over the past five years.

6. Mr. Szeto advises that valet parking results in both higher revenues and costs. Initially, the Garage will have self-parking spaces only, and depending on the demand and operational issues could be expanded to valet parking at a later date, according to Mr. Szeto. Ms. Ribble advises that the proposed issuance of up to $8.5 million in Lease Revenue Bonds assumes that the Garage will be used for the more conservative 203 self-parking vehicles.

7. Mr. Szeto reports that the parking lot is currently being used by the Police Department for parking approximately 40 Police and private vehicles in connection with the adjacent Central Police Station. Mr. Szeto advises that this is based on an informal agreement between the DPT and the Police Department and neither the Parking Authority nor the DPT receives any revenues from the Police Department for their use of this parking lot. Mr. Szeto notes that prior to the demolition of the old North Beach Parking Garage, the Police Department parked approximately 22 private vehicles in the old North Beach Parking Garage. Mr. Harry Quinn of the Real Estate Department reports that once the construction begins on the new North Beach Parking Garage, the Central Police Station will use approximately 22 spaces in the City-owned Vallejo Street Garage, which is immediately opposite the proposed new North Beach Parking Garage. Mr. Quinn reports that the Police will likely occupy these

spaces until construction of a new Central Police Station is completed.

8. According to Ms. Sarah Hollenbeck of the Mayor's Office of Public Finance, the proposed issuance of up to $8.5 million in Lease Revenue Bonds for construction of the North Beach Parking Garage Project would be the first bond issuance authorized under Proposition F. Ms. Hollenbeck advises that these Lease Revenue Bonds are anticipated to be sold in late June of 2000. According to Ms. Hollenbeck, the $8.5 million Lease Revenue Bond funds may be included and placed on reserve in the upcoming FY 2000-01 budget, since a separate appropriation approval of such funds is required by the Board of Supervisors.

9. Ms. Ribble provided Attachment IV, which identifies the net revenue coverage over the base rental payments for the proposed $8.5 million Lease Revenue bonds. Ms. Ribble notes that these are draft documents since the actual interest costs, time period and related rental payments cannot be determined precisely until the bonds are actually sold. Ms. Ribble advises however, that the interest rate is estimated at 6.5 percent over a 25-year bond period.

As shown in Attachment IV, if the proposed Lease Revenue Bonds are sold in a principal amount of $8.5 million, at an estimated annual interest rate of 6.5 percent over a 25-year period, the City's total principal and interest cost will be $17,672,077, including $8.5 million of principal costs and $9,172,077 of interest payments. Ms. Ribble advises that the average annual debt service payment will total $706,883.

As indicated in Attachment IV, the projected parking revenues from the North Beach Parking Garage, less the parking taxes and the operating expenses, are not projected to cover the base annual rental payments on the Lease Revenue Bonds for seven years (Year 2 through Year 8. However, due to the fact that interest on the bonds will be capitalized for six months beyond the projected completion date for the project, the garage should generate revenues in year 2 that will not be

required for debt service. Such revenues are expected to cover the shortfall in the following years. During the remaining years, a surplus of net revenues from the Garage is projected to occur. Over the 25-year life of the bonds, the cumulative surplus in revenue is projected to be $3,025,869. However, Ms. Hollenbeck advises that these projections are based on 1997 estimates of parking demand and rates for the North Beach Garage and that these projections therefore reflect conservative estimates of revenues.

10. The Budget Analyst notes that, in accordance with Proposition F and the proposed legislation, the City's General Fund will be responsible for paying the base rental payments on the $8.5 million lease revenue bonds. In turn, the City's Parking Revenue Fund, which will receive the net operating revenues from the North Beach Parking Garage, will reimburse the City's General Fund for these payments.

11. Ms. Theresa Alvarez of the City Attorney's Office reports that the proposed legislation includes a quit claim provision that is necessary because when the Parking Authority purchased the North Beach Parking Garage in 1992, the grant deed was supposed to vest legal title with the Parking Authority. However, the grant deed inadvertently vested legal title with the City and County of San Francisco. The proposed quit claim provision will correct this error by transferring the legal title from the City and County of San Francisco to the Parking Authority.

Recommendation: Approval of the proposed two ordinances is a policy matter for the Board of Supervisors.

MAY -03 00(WED) 16:15 CITY & CO OF S.F. PARKING DEPT TEL:415 554 9834 P 002

North Beach Garage
(Sources and Uses of Funds)

Sources of Funds	Sources of Funds for Expenditures to 3-00	Sources of Funds for Expenditures During Construction	Total
A. Parking Revenue Fund (Reimbursement)	5,418,499	-	5,418,499
B. Series 1994 Bonds - Project Fund	628,594	1,400,000	2,028,594
C. Series 2000 Bonds for Construction (1)		6,505,183	6,505,183
Totals	6,047,093	7,905,183	13,952,276
Uses of Funds	**Expenditures to March 2000**	**Expenditures During Construction**	**Total**
1. Planning & Design Costs	1,004,064	298,000	1,302,064
2. Demolition	232,447		232,447
3. Relocation/Mitigation/P G & E		320,000	320,000
4. DBI Plan Check & Permits	49,886		49,886
5. City Planning Fees		44,502	44,502
6. Construction Management	31,683	600,000	631,683
7. Site Work		235,000	235,000
8. Pouring Concrete, Forming & Post Tension		3,379,319	3,379,319
9. Exterior Details		1,231,000	1,231,000
10. Interior Details		1,140,993	1,140,993
11. Art Enrichment	11,679	105,000	116,679
12. Construction Contingency		583,703	583,703
13. Property Acquisition	4,685,000		4,685,000
Total	6,014,759	7,937,517	13,952,276

(1) Miminum proceeds of $6,505,183 from 2000A Bonds needed to fund balance of the project.

CITY AND COUNTY OF SAN FRANCISCO
North Beach Parking Garage
$8.5 Million Par Amount
6.5% Interest Rate Scenario
Sources & Uses of Funds at Closing

	Total
SOURCES OF FUNDS	
Par Amount of Bonds Issued	8,500,000.00
Accrued Interest	0.00
Original Issue Discount / Premium	0.00
TOTAL SOURCES OF FUNDS	8,500,000.00
USES OF FUNDS	
Project Construction Fund - Gross Deposit	6,608,031.71
Capitalized Interest Fund - Gross Deposit	744,543.29
Debt Service Reserve Fund	724,825.00
Underwriters' Discount @ 1.500% of par	127,500.00
Costs of Issuance & Rounding	295,100.00
TOTAL USES OF FUNDS	8,500,000.00
COSTS FINANCED IN PROJECT FUND	
Project Funds Available	6,608,031.71

OCT. -06-99(WED) 13:17 CITY & CO OF S.F. PARKING DEPT 27 TEL:415 554 9854 P. 005

Post-it® Fax Note 7671 | Date | # of pages ▶
To Ron Szeto | From Patrick
Co./Dept. | Co.
Phone # | Phone #
Fax # 554-9931 | Fax #

City and County of San Francisco
Department of Public Works

TABULATION OF BIDS

SPEC NO.: 5346AR

TITLE: North Beach Parking Garage
Department of Parking and Traffic

BIDS RECEIVED: February 17, 1999

BIDDERS:		Base Bid	Alt. 1	Total
Aram Enterprises, Inc. dba AR Construction Co.	MBE/LBE	5,640,000	7,000	5,647,000
D.J. Amoroso/TSM, a J.V.	MBE/LBE/JV 7.5%	5,826,281	14,400	5,840,681
✱ MH Construction Management Co.	MBE/LBE	5,959,000	27,312	5,986,312
NIBBI D F P F JV	JV 7.5%	5,992,000	6,000	5,998,000
Barnes/Agbayani JV	MBE/LBE/JV 10%	6,389,000	19,000	6,408,000
Chiang C.M. Construction, Inc.	MBE/LBE	6,646,845	6,874	6,653,719
	Average Bid:	6,075,521		
	Architect Estimate:	6,100,000		
	% of Architect's Estimate:	100%		

✱ CONTRACT TO BE AWARDED TO MH CONSTRUCTION

APPARENT LOW BIDDER: Aram Enterprises, Inc. dba AR Construction Co.
6345 Third Street
San Francisco, CA 94124
Tel (415) 656-2800

The following was announced at the bid opening: "the construction budget is $6,100,000"

SUBCONTRACTORS:						
Shaw-Guelnemann	Demo., site prep., paving & excav.	209,000	ABM Painting	Painting & special coating	78000
Glen Growth	Irrigation & landscape	27,000	Thyssen	Elevators	181000
Dolan Concrete	Site concrete	26,000	Grinell	Fire protection	81000
Landavazo Bros.	Concrete place & finish	77,000	D&S Plumbing	Plumbing	110000
American Tile	Brick veneer	130,000	Yum's Mechanical Co.	HVAC, flashing & metal roof	58000
Pacific Coast	Structural Steel, stairs, steel deck & metals	650,000	Sierra	Electrical	399000
		920,000	Inter Technonics	Parking Control Equip.	129000
LTM	Form work	45,000	Dees-Hennessey	Shotcrete	198000
RFJ Meiswinkel	Gypsum Board & E I F S	145,000	Harris Rebar	Rebar	539000
Viracin Glass	Windows & glazing				

cc: Patrick Rivera, Mark Primeau, Veronica Ng, Harlan Kelly, Don Eng, Joe Cheung, Tara Lamont, Maurice Williams, DPW Accounting, Helen Liu, Bill Webb, All bidders

Attachment III

Attachment 1
P 002

MAY. -04'00(THU) 15:10 CCSF PUBLIC FINANCE TEL 415 554 4864

North Beach Parking Garage Project

			Net Revenues and Gross Debt Service		Net Revenues and Net Debt Service		
Fiscal Year Ending	Net Revenues Before Debt Service	Debt Service	Annual Gain/(Loss)	Cumulative Surplus	Debt Service less Capitalized Interest and DSRF Interest	Annual Gain/(Loss)	Cumulative Surplus
06/30/02	587,854.00	552,500.00	35,354.00	35,354.00	261,753.50	326,100.50	326,100.50
06/30/03	600,581.00	722,500.00	(121,919.00)	(86,565.00)	693,507.00	(92,926.00)	233,174.50
06/30/04	613,445.00	721,450.00	(108,005.00)	(194,570.00)	692,457.00	(79,012.00)	154,162.50
06/30/05	644,118.00	719,750.00	(75,632.00)	(270,202.00)	690,757.00	(46,639.00)	107,523.50
06/30/06	657,759.00	722,400.00	(64,641.00)	(334,843.00)	693,407.00	(35,648.00)	71,875.50
06/30/07	671,526.00	724,075.00	(52,549.00)	(387,392.00)	695,082.00	(23,556.00)	48,319.50
06/30/08	685,408.00	719,775.00	(34,367.00)	(421,759.00)	690,782.00	(5,374.00)	42,945.50
06/30/09	699,393.00	724,825.00	(25,432.00)	(447,191.00)	695,832.00	3,561.00	46,506.50
06/30/10	734,383.00	723,575.00	10,788.00	(436,403.00)	694,582.00	39,781.00	86,287.50
06/30/11	749,143.00	721,350.00	27,793.00	(408,610.00)	692,357.00	56,786.00	143,073.50
06/30/12	764,003.00	723,150.00	40,853.00	(367,757.00)	694,157.00	69,846.00	212,919.50
06/30/13	776,928.00	723,650.00	53,278.00	(314,479.00)	694,657.00	82,271.00	295,190.50
06/30/14	793,902.00	722,850.00	71,052.00	(243,427.00)	693,857.00	100,045.00	395,235.50
06/30/15	833,597.00	720,750.00	112,847.00	(130,580.00)	691,757.00	141,840.00	537,075.50
06/30/16	849,350.00	722,350.00	127,000.00	(3,580.00)	693,357.00	155,993.00	693,068.50
06/30/17	865,113.00	722,325.00	142,788.00	139,208.00	693,332.00	171,781.00	864,849.50
06/30/18	880,863.00	720,675.00	160,188.00	299,396.00	691,682.00	189,181.00	1,054,030.50
06/30/19	896,575.00	722,400.00	174,175.00	473,571.00	693,407.00	203,168.00	1,257,198.50
06/30/20	941,404.00	722,175.00	219,229.00	692,800.00	693,182.00	248,222.00	1,505,420.50
06/30/21	957,835.00	720,000.00	237,835.00	930,635.00	691,007.00	266,828.00	1,772,248.50
06/30/22	974,167.00	720,875.00	253,292.00	1,183,927.00	691,882.00	282,285.00	2,054,533.50
06/30/23	990,370.00	724,475.00	265,895.00	1,449,822.00	695,482.00	294,888.00	2,349,421.50
06/30/24	1,006,408.00	720,475.00	285,933.00	1,735,755.00	691,482.00	314,926.00	2,664,347.50
06/30/25	1,056,726.00	724,200.00	332,526.00	2,068,283.00	695,207.00	361,521.00	3,025,868.50

Notes: Revenue projection includes growth of 3% annually (and 5% every 5th year) and expense growth of 5% annually.
Net Revenues are net of parking taxes and operating expenses.

Item 4 - File 00-0574

Department: Fire Department

Item: Ordinance amending Part II, Chapter IV, of the San Francisco Municipal Code (Fire Code) by amending Section 106 to increase fees for services and by amending Article 90 to require fire pumps in buildings 200 feet (approximately 20 stories) or more in height to be capable of operating on emergency power.

Description: Section 106.18 of the Fire Code requires that the Chief of the Fire Department, no later than April 1st of each year, file a report with the Controller concerning "the revenues received from each type of fee collected by the Fire Department, the costs, both direct and indirect, incurred in providing the services for which the fee is assessed, the anticipated costs for the ensuing Fiscal Year and the rates which would be necessary to support such cost for each type of fee." Section 106.18 further specifies that the Controller shall file the report with the Board of Supervisors by no later than May 15th of each year, and that "the Board of Supervisors shall, by ordinance, establish or adjust the rates for any Fire Department fees." Section 106.18 also specifies that "The rates set shall be equal to, but not greater than, the rates necessary to support the costs of providing the services for which each fee is assessed."

The proposed ordinance would increase a total of five inspection fees and five plan review service fees, as shown in Attachment I to this report provided by the Fire Department, by amounts ranging from a five percent increase to a 32.1 percent increase. According to the Fire Department, the weighted average of the fee increases is six percent.

Approval of the proposed ordinance would also amend Article 90-Standards of the Fire Code by amending Section 9001.1.2, which governs requirements for water supply pumps in buildings 200 feet or more in height above the lowest level of Fire Department vehicle access (normally, ground level). Section 9001.1.2 currently specifies that such buildings shall have a minimum of two

fire pumps, and further specifies the technical requirements of the pumps. The proposed ordinance would require that each pump shall be capable of operating on emergency power.

Comments:

1. Assistant Deputy Chief (ADC) Gary Massetani, the City's Fire Marshall, reports that the subject fees were last increased effective July 1, 1999. Attachment II to this report is a memorandum provided by ADC Massetani explaining the Fire Department's need to increase fees in order to cover the cost of increased Fire Department resources already in place.

2. Mr. Joe Matranga of the Controller's Office advises that the Controller has reviewed the Fire Department's proposed fee schedule for FY 2000-01 and concurs with the proposed increase. Mr. Matranga has also stated that the Controller has included the fee increases in the Fire Department's budgeted FY 2000-01 revenues. As shown in Attachment II, the dollar value of the increase in revenues due to the fee increase is $384,750.

3. ADC Massetani has advised the Budget Analyst that the Fire Department is requesting the amendment to the water supply pump provision to clarify the intent of the Fire Code to that those pumps are capable of operating on emergency power.

Recommendation:

Approve the proposed ordinance.

Notes	Section	Description	Existing Fee	Proposed Fee	$ Increase	% Increase
1	106.3	Reinspection of Violation	$62	$74	$12	19.4
2	106.7	Consultation Fee	$56	$74	$18	32.1
3	106.8	High-Rise Inspection	5.53/1000s.f.	6.00/1000s.f.	.47/1000s.f.	8.5
4	106.9	Back Check Plan Review	n/a	$52/hr	n/a	n/a
	106.10	Field Inspection	$55/hr	$64/hr	$9/hr	16.4
5	106.11	Pre-Application Meeting	$92/ 2 hrs	$104/ 2 hrs	$12/ 2 hrs	13.0
	106.15	Overtime	$57/ hr	$70/ hr	$13/ hr	22.8
6	106.17	Waterflow Information	$23/ flat fee	$26/ flat fee	$3/ flat fee	13.0
7	106.17	Waterflow Hydrant Test	$92/ flat fee	$104/ flat fee	$12/ flat fee	13.0
8	Table 106-B	Plan Review	n/a	n/a	n/a	5.0

1 This fee is based upon time required for inspection of property to determine whether or not a fire code violation has been abated.

#2 Consultation Fee is charged for a survey of a building for compliance with applicable codes for existing or proposed use. This fee has been raised to conform to violation reinspection service fee which is what this service most closely resembles.

3 This fee is charged, as permitted by State law, to recover costs of providing the service of annual high-rise building inspections. These inspections are mandated by the California Health & Safety Code.

4 This is a new fee to recover the cost of providing plan review services when a previously approved plan is revised due to conditions in the field, therefore requiring an additional plan review.

5 This fee is for meetings requested by designers for plan review services before plans are submitted.

6 This fee is for hydraulic information requested by designers, when this information is available through documents at the Fire Dept. Plan Check Unit.

7 This fee is charged for hydraulic information when requested by designers. This fee covers the cost of an actual street hydrant test to provide accurate hydraulic information.

8 The increase is based on the projected increase in the cost of providing the plan review service.

The total projected increase in revenue amount to be collected by the Fire Department's Bureau of Fire Prevention is $ 384,750.00

Source: S.F. Fire Department

Suboject	Description	99/00 Budget	Controller's Projected Actual 99/00 Revenue	Project FY 00/01
60667	Fire Plan Checking	$ 1,150,000.00	$ 1,271,059.00	$ 1,532,850.00
60668	Fire Inspection Fees	390,000.00	547,387.00	600,000.00
60670	High Rise Fire Inspection Fee	622,500.00	530,673.00	639,000.00
60671	SFFD Tx Coll Renewal Fee	450,000.00	453,818.00	450,000.00
60672	SFFD Oring Filing-Posting Fee	160,000.00	181,395.00	160,000.00
60673	Fire Code Reinspection Fee	30,000.00	22,771.00	30,000.00
60699	Other Public Safety Charges	40,000.00	49,997.00	30,000.00
	Totals	2,842,500.00	3,057,100.00	3,441,850.00
	FY 00/01 Revenue Increase			384,750.00

Suboject	Discription	Cost of Services	FY 99/00	FY 00/01
60667	Fire Plan Checking		1,317,515.00	1,516,836.00
60668	Fire Inspection Fees		572,150.00	603,636.00
60670	High Rise Fire Inspection Fee		633,078.00	668,053.00

For Fiscal Year 2000-2001, these fees were based upon estimated revenues for Fiscal Year 1999-2000 with proposed fee increases.

The purpose of the fee increase is allowed by the California State Government Code to support the cost of providing the service for which each fee is charged

The projected budget includes an increase in personnel to provide the services for which these fees are charged.

Source: S.F. Fire Department

Item 5 – File 00-0735

1. The proposed ordinance would amend Section 16.157 of the Administrative Code to approve the City's FY 2000-2001 Health Service System plans and rates of contribution, as adopted by the Health Service Board, to be paid by the members of the System. The members of the System are employees, retirees, and surviving spouses of former employees and retirees of the City and County of San Francisco, the San Francisco Unified School District, and the Community College District.

HEALTH PLANS

2. The Board of Supervisors previously adopted a resolution (File 00-0275) setting the City's contribution to the Health Service Fund for FY 2000-2001 at $192.23 per month for each member. The City's contribution was established in accordance with Charter Sections A8.423 and A8.428, which set the average contribution rate based on a survey of the 10 most populous counties in California (excluding San Francisco). The City's contribution of $192.23 per month ($2,306.76 annually) represents an increase of $11.38 per month, or approximately 6.3 percent, from the FY 1999-2000 rate of $180.85 per month ($2,170.20 annually).

3. Once the City's contribution is established, member contributions are calculated by the Health Service System actuary, Towers Perrin, Consulting Actuaries, in order to ensure that contributions from all sources will be adequate to support anticipated claims for the upcoming fiscal year. The proposed ordinance would establish member contribution rates for FY 2000-2001 in accordance with Charter Sections A8.421 and A8.422. Charter Sections A8.421 and A8.422 require approval by three-fourths of the members of the Board of Supervisors after the Board has secured an actuarial report of the costs and effects of any proposed change in the benefits of the Health Service System or rates of contribution. Contribution rates vary according to: (1) whether or not a member is an active employee, retired employee, or surviving spouse; (2) whether or not that individual has Medicare coverage; and (3) which of the City's four health plans that individual elects to join. The actuarial report and details of the member contribution rates are contained in the file of the Clerk of the Board.

4. City Health Plan (which is administered by the City's Health Service System), Kaiser Foundation Health Plan, Heath Net, and Pacific Care (all HMOs) will be offered in FY 2000-2001.

5. Changes to the City Health Plan benefits in FY 2000-01 include:

- The lifetime maximum benefit was increased from $1 million to $2 million,
- Mental health benefits were changed to comply with the new State law,
- Newborns will be covered for 30 days regardless of parental election,
- Dependent children will be covered to age 25 regardless of student status,
- Occupational and physical therapy will be limited to 60 visits per year,
- The out-of-pocket limit on out-of-area charges was reduced from $4,000 to $3,750,
- An out-of-pocket limit of $7,500 was placed on out-of-network charges,
- Benefit denial by Medicare will no longer conclusively determine plan benefits, and
- The deductible for out-of-network services was reduced from $500 to $250.

6. The following changes were made in benefits for FY 2000-01 HMO members:

- The copay for allergy shots was set at $5 for all HMOs (it had been $3 for Kaiser),
- Mental health benefits were changed to comply with the new State law,
- The copay for use of the emergency room was set at $35 for all HMOs (it had been $5 for Kaiser and $25 for Health Net), and
- Chiropractic benefits were added to all HMOs.

7. A comparison of the FY 1999-2000 monthly rates to be paid by active City employees with the proposed FY 2000-01 rates adopted by the Health Service Board is as shown in Table 1 on the following page.

Table 1
Monthly Health Plan Rates to be Paid by Active City Employees
FY 1999-2000 and FY 2000-01

	1999-2000 Monthly Rates	2000-01 Monthly Rates	Monthly Increase/ (Decrease)	Percentage Increase (Decrease)
City Health Plan				
Single Employee	$110.61	$110.81	$0.20	0.2%
Employee plus one dependent	317.75	322.13	4.38	1.4%
Employee plus two dependents	536.71	546.06	9.35.	1.7%
Kaiser Foundation Health Plan				
Single Employee	3.81	0.00	(3.81)	(100%)
Employee plus one dependent	182.39	190.34	7.95	4.4%
Employee plus two dependents	330.62	348.32	17.70	5.5%
Health Net				
Single Employee	2.00	0.00	(2.00)	(100%)
Employee plus one dependent	170.36	185.33	14.97	8.8%
Employee plus two dependents	311.13	339.68	28.55	9.2%
PacifiCare				
Single Employee	2.00	0.00	(2.00)	(100%)
Employee plus one dependent	161.64	180.63	18.99	11.7%
Employee plus two dependents	295.15	333.26	38.11	12.9%

8. A comparison of the FY 1999-2000 monthly rates to be paid by retired City employees who are enrolled in the Health Service System with the proposed FY 2000-01 rates adopted by the Health Service Board is shown as Table 2 on the following page.

Table 2

Monthly Health Plan Rates to be Paid by Retired City Employees
FY 1999-2000 and FY 2000-01

	1999-2000 Monthly Rates	2000-01 Monthly Rates	Monthly Increase/ (Decrease)	Percentage Increase (Decrease)
City Health Plan				
Single Subscriber (w/o Medicare)	$110.61	$110.81	$0.20	0.2%
Subscriber plus one dependent (both w/o Medicare)	317.75	322.13	4.38	1.4%
Single Subscriber (w/ Medicare)	65.11	65.31	0.20	0.3%
Subscriber plus one dependent (both w/ Medicare)	228.69	249.90	21.21	9.3%
Kaiser Foundation Health Plan				
Single Subscriber (w/o Medicare)	$3.81	$0.00	($3.81)	(100%)
Subscriber plus one dependent (both w/o Medicare)	182.39	190.34	7.95	4.4%
Single Subscriber (w/ Medicare)	0.00	0.00	0.00	N/A
Subscriber plus one dependent (both w/ Medicare)	13.62	60.11	46.49	341.3%
Health Net				
Single Subscriber (w/o Medicare)	$2.00	$0.00	($2.00)	(100%)
Subscriber plus one dependent (both w/o Medicare)	170.36	185.33	14.97	8.8%
Single Subscriber (w/ Medicare)	0.00	0.00	0.00	N/A
Subscriber plus one dependent (both w/ Medicare)	35.47	111.25	75.78	213.6%
PacifiCare				
Single Subscriber (w/o Medicare)	$2.00	$0.00	($2.00)	(100%)
Subscriber plus one dependent (both w/o Medicare)	161.64	180.63	18.99	11.7%
Single Subscriber (w/ Medicare)	0.00	0.00	0.00	N/A
Subscriber plus one dependent (both w/ Medicare)	31.54	107.98	76.44	242.4%

9. The large increases shown above for HMO subscribers plus one dependent where both have Medicare are dictated largely by the change in the formula by which HMOs are reimbursed for Medicare members by the Federal Health Care Financing Administration (HCFA). Until recently, HCFA

reimbursement has enabled the HMOs to deliver health care to Medicare retirees at reasonable cost; however, the Federal Balanced Budget Act of 1997 changed the formula used to calculate the HMOs' reimbursements. The result was that HCFA reimbursements are no longer keeping pace with the cost of health care, and the HMOs are having to make up the shortfall by increasing premiums.

Dental Plan Benefits

10. The Health Service Board has approved the continuance of Delta Dental of California, the PMI DeltaCare Dental Plan and the Pacific Union Dental Plan. According to Mr. Bart Duncan of the Heath Service System, as of March 31, 2000, a total of 26,818 active and retired employees were enrolled in the existing City-paid dental plans. Under the dental plans, all premiums for active City employees are paid by the City (there is no employee contribution). Retirees, and active Community College District and SFUSD employees must pay for their dental benefits in full according to a separate schedule.

11. Three dental plans will continue to be offered: an indemnity plan administered by Delta Dental and two prepaid plans, PMI and Pacific Union. The City pays the cost of Dental benefits for employees, while retirees pay the full cost of their dental benefits. Claim experience under the indemnity dental plan dictated that plan costs (used by the City to fund the dental plan) should be adjusted as follows: costs for Transit workers should be increased by 8.5%, and costs for all other employees would be increased by 15%. PMI agreed to continue the existing rates for the year 2000-01. Pacific Union requested a 4.1% rate increase (8.7% on employees and no change on retirees). Benefit levels will remain the same for all three plans.

12. A comparison of the FY 1999-2000 and FY 2000-01 monthly premium rate schedules for employer contributions of the three dental plans shown as Table 3 on the following page.

Table 3

Monthly Dental Plan Rates to be Paid by the City for Active City Employees, FY 1999-2000 and 2000-01

	1999-2000 Monthly Rates	2000-01 Monthly Rates	Monthly Increase/ (Decrease)	Percentage Increase (Decrease)
Delta Dental				
Single Employee	$48.05	$55.26	$7.21	15.0%
Employee plus one dependent	78.96	90.80	11.84	15.0%
Employee plus two dependents	118.70	136.51	17.81	15.0%
Delta Dental (Transit Workers Only)				
Single Employee	48.05	52.13	4.08	8.5%
Employee plus one dependent	78.96	85.67	6.71	8.5%
Employee plus two dependents	118.70	128.79	10.09	8.5%
PMI DeltaCare Dental Plan				
Single Employee	22.17	22.17	-0-	0%
Employee plus one dependent	36.58	36.58	-0-	0%
Employee plus two dependents	54.09	54.09	-0-	0%
Pacific Union Dental Plan				
Single Employee	20.40	22.16	1.76	8.6%
Employee plus one dependent	33.65	36.59	2.94	8.7%
Employee plus two dependents	49.76	54.10	4.34	8.7%

13. A comparison of the monthly premium rates to be paid by retired City employees and other employees who are ineligible for employer paid dental coverage (i.e. active employees of the Unified School District and Community College District) for the FY 1999-2000 and FY 2001 dental plans are shown in Table 4 on the following page.

Table 4

Dental Plan Monthly Premium Rates to be Paid by Retired City Employees and Active Employees Who Are Ineligible for Employer Paid Coverage
FY 1999-2000 and FY 2000-01

	1999-2000 Monthly Rates	2000-01 Monthly Rates	Monthly Increase/ (Decrease)	Percentage Increase (Decrease)
Delta Dental				
Single Employee	$34.72	$33.11	($1.61)	(4.6%)
Employee plus one dependent	56.30	66.22	9.29	17.6%
Employee plus two dependents	84.04	99.33	15.29	18.2%
PMI DeltaCare Dental Plan				
Single Employee	13.69	13.69	-0-	0%
Employee plus one dependent	22.59	22.59	-0-	0%
Employee plus two dependents	33.41	33.41	-0-	0%
Pacific Union Dental Plan				
Single Employee	13.14	13.14	-0-	0%
Employee plus one dependent	21.69	21.69	-0-	0%
Employee plus two dependents	32.07	32.07	-0-	0%

Comments:

1. Many of the City's MOU's contain provisions whereby the City pays a portion of the employee's cost for the health and dental plans. Such payments by the City are not reflected in the data provided by the Health Service System shown in the tables of this report. The majority of City workers are covered by MOU's which provide that the full employee premium for single employees is paid by the City and up to $225 of the employee premium for an employee with dependents is paid by the City. For example, contrary to the data shown in Table 1, a single employee enrolled under the City Health Plan paid nothing in FY 1999-2000 instead of the rate of $110.61 per month and would again pay nothing under the proposed FY 2000-2001 rates instead of the rate of $110.81 per month. An employee with one dependent enrolled under the City Health Plan in FY 1999-2000 paid $92.75 per month instead of $317.75 and would pay $97.13 per month under the proposed FY 2000-01 rates instead of the rate of $322.13.

2. According to Ms. Peg Stevenson of the Controller's Office, the cost of the City's General Fund contribution for Health Service System employer contribution and Dental Benefits paid on behalf of employees has increased by $4,668,000, or 6.9 percent, from $67,843,000 in FY 1999-2000 to $72,511,000 in FY 2000-2001. This comparison is shown in the table below (amounts rounded to nearest thousand).

	FY 1999-2000	FY 2000-01	Increase
Health Service City Match	$ 46,307,000	$ 49,171,000	$ 2,864,000
Dental City Match	21,536,000	23,340,000	1,804,000
Total	$ 67,843,000	$ 72,511,000	$ 4,668,000

Recommendation:

Since the Health Service System reports that the selection of the Health Service System plans and determination of the rates of member contribution for such plans have been conducted in accordance with the provisions of the City Charter, approve the proposed ordinance.

Item 6 - File 00-0763

Department: Department of Children, Youth and their Families

Item: Resolution authorizing the Department of Children, Youth and their Families (DCYF) to accept and expend a grant in the amount of $528,000 from the Unites States Department of Agriculture (USDA) for the Mayor's Summer Food Service Program.

Grant Title: Summer Food Service Program

Grant Period: June 12, 2000, through August 18, 2000 (Ten-week period)

Source of Funds: United States Department of Agriculture (USDA)

Grant Amount: $528,000

Description: For over ten years, the Mayor's Office, has sponsored the Summer Food Service Program (SFSP) to needy children and youth up to the age of 17. The proposed resolution would authorize DCYF to accept and expend the subject grant of $528,000 from the USDA. Throughout the school year, many low-income children and youth qualify to receive free or reduced cost meals as students of the school district. Under this program, free lunches are provided at approximately eighty locations, including 10 Housing Authority facilities, 31 Recreation and Parks facilities, and 39 community-based organizations.

The subject grant would fund free lunches for all participating children and youth for ten weeks of the summer between June and August. SFSP would provide lunch at these eighty sites to over 220,000 youth per day.

Matching Funds: None required.

Indirect Costs: The proposed resolution would waive the inclusion of indirect costs in the grant budget because they are not allowed by the granting agency.

Budget: The budget for the subject grant of $528,000 for the period from June 12, 2000 through August 18, 2000 is as follows. (See Attachment I, provided by DCYF, for further budget details.)

Item:	Total
Personnel: (See Comment No. 1)	
Salaries/Wages	$34,816
Food Labor	27,048
Subtotal:	61,864
Operating:	
Food	446,600
Food Transportation to Sites (See Comment No.2)	12,000
Subtotal:	458,600
Other:	
Nonfood Supplies	2,595
Office Supplies	891
Local Transportation	1,260
Moving	240
Facilities/Utilities (See Comment No. 3)	2,550
Subtotal:	7,536
Total:	$528,000

Comments: 1. The proposed grant includes funding for 36 positions totaling 5.65 FTE, as shown below. Ms. Camille Broussard of the Department of Children, Youth and Families, advises that the temporary subject grant positions would be designated "G" (grant funded).

	FTE	Personnel	No. of Staff	Days	Hours/ Day	Salary/ Hour	Total
	1.0	Assistant Coordinator	1	73	8	$13.00	$7,592
	1.0	Clerical Assistant	1	73	8	$11.00	6,424
	1.25	Site Monitors	10	52	5	$8.00	20,800
	2.4	Site Supervisors	24	49	4	$5.75	27,048
Total	5.65		36				$61,864

2. According to Ms. Broussard, the $12,000 for Food Transportation will be used to fund lunches during fieldtrips. Each of the SFSP's eighty food sites organizes one field trip per week during the ten-week grant period. For each fieldtrip, food is delivered twice, once in the morning for field trip participants and a hot lunch in the afternoon for non-participants. The food transportation is calculated at: $20 (cost per transport) x 80 (sites) x 7.5 (trips/site) = $12,000.

3. According to Ms. Broussard, the $2,550 for Facilities/Utilities in the above budget includes janitorial ($1,500) and telephone costs ($1,050). Ms. Broussard advises that the SFUSD is charging DCYF the standard flat rate of $500 per month for 3 months totaling $1,500 for janitorial services at the school sites. Telephone costs include installation and billing for an estimated total of $1,050.

4. Attachment II is a Grant Application Information Form, provided by the Department of Public Health.

5. The Department of Public Health has prepared a Disability Access Checklist, which is on file with the Clerk of the Board's Office.

Recommendation: Approve the proposed resolution.

2000 Mayor's Summer Food Program
Estimated Budget

Revenue	# of meals	Reimbursement Rate (per meal)	Amount
Lunches	220,000	$ 2.18	$ 479,600.00
Admin	220,000	0.22	48,400.00
Total Revenue			$ 528,000.00

Expenses	Rate	Cost
Lunches	$2.03*220,000	446,600.00
Site Supervision	49 days *4 hrs/day*$5.75/hr*24 people	27,048.00
Garbage Bags	60 boxes*$8.95/box	537.00
Thermometers	140*$3.70	518.00
Paper bags	200 boxes * $6.95	1,390.00
Delivery-Field trip cost		12,000.00
Admin Salaries	see below	34,816.00
Office Supplies		891.00
Transportation	12 Fast passes *3mos*$35	1,260.00
Telephone	(installation+bill)	1,050.00
Rent	3 mos * $500	1,500.00
Postage		150.00
Moving		240.00
Total Expenses		528,000.00

Admin Salaries	Days	Hrs/day	Salary/ hr	Total
Asst. Coordinator	73	8	13.00	7,592.00
Clerical Assistant	73	8	11.00	6,424.00
Site Monitors (10 people)	52	5	8.00	20,800.00
Total				$ 34,816.00

ile Number: _____
(Provided by Clerk of Board of Supervisors)

Grant Information Form
(Effective January 2000)

urpose: Accompanies proposed Board of Supervisors resolutions authorizing a Department to accept and xpend grant funds.

he following describes the grant referred to in the accompanying resolution:

. Grant Title: Mayor's Summer Food Service Program

. Department: Department of Children, Youth & Their Families

. Contact Person: Camille Broussard Telephone: (415) 557-6773

. Grant Approval Status (check one):

[ ] Approved by funding agency [X] Not yet approved

. Amount of Grant Funding Approved or Applied for: $528,000

a. Matching Funds Required: $
b. Source(s) of matching funds (if applicable):

a. Grant Source Agency: United States Department of Agriculture (USDA)
b. Grant Pass-Through Agency (if applicable): California Department of Education (DOE)

. Proposed Grant Project Summary:
Through funding from the United States Department of Agriculture and under the auspices of the Mayor's Office, the Department of Children, Youth and Their Families provides San Francisco needy children and youth (18 years and under) with free meals during the summer months (June-August).

. Grant Project Schedule, as allowed in approval documents, or as proposed:

Start-Date: June 12, 2000 End-Date: August 18, 2000

0. Number of new positions created and funded: 35

1. If new positions are created, explain the disposition of employees once the grant ends?
All positions are Temporary/Exempt; All positions are terminated at end of program.

2a. Amount budgeted for contractual services:

b. Will contractual services be put out to bid?

c. If so, will contract services help to further the goals of the department's MBE/WBE requirements?

d. Is this likely to be a one-time or ongoing request for contracting out?

13a. Does the budget include indirect costs? [ ] Yes [X] No

b1. If yes, how much? $
b2. How was the amount calculated?

c. If no, why are indirect costs not included?
[X] Not allowed by granting agency [ ] To maximize use of grant funds on direct services
[ ] Other (please explain):

14. Any other significant grant requirements or comments:

"Disability Access Checklist"*

15. This Grant is intended for activities at (check all that apply):

[X] Existing Site(s)	[ ] Existing Structure(s)	[ ] Existing Program(s) or Service(s)
[ ] Rehabilitated Site(s)	[ ] Rehabilitated Structure(s)	[ ] New Program(s) or Service(s)
[ ] New Site(s)	[ ] New Structure(s)	

16. The Departmental ADA Coordinator and/or the Mayor's Office on Disability have reviewed the proposal and concluded that the project as proposed will be in compliance with the Americans with Disabilities Act and all other Federal, State and local access laws and regulations and will allow the full inclusion of persons with disabilities, or will require unreasonable hardship exceptions, as described in the comments section:

Comments:

Departmental or Mayor's Office of Disability Reviewer Bill Kramer
(Name)

Date Reviewed April 5, 2006

Department Approval: Cedric Yap Deputy Director
(Name) (Title)
(Signature)

Item 7 - File 00-0731

Department: Mayor's Office of Community Development (MOCD)

Item: Hearing to consider the release of reserved funds, Mayor's Office of Community Development (1999 Emergency Shelter Grants Program: File No. 99-0078), in the amount of $39,934 to be used for the First Response Outreach Team to improve access to City services for the homeless

Amount: $39,934

Source of Funds: Emergency Shelters Grant Program

Description: The HUD Emergency Shelter Grants Program was first established under the Stewart B. McKinney Homeless Assistance Act in July of 1987. The program is designed to assist in (a) improving the quality of existing emergency shelters for the homeless, (b) making available additional emergency shelters, and (c) meeting the costs of operating emergency shelters. The goal of the program is to provide certain essential social services to homeless individuals so that those persons have access to the support services needed to improve their situations.

The Mayor's Office of Community Development (MOCD) is responsible for administering and monitoring the Emergency Shelter Grants Program (ESGP). MOCD proposes to use $39,934 in reserved funds to expand the Chemical Awareness & Treatment Services' (CATS) Mobile Assistance Patrol (MAP).

The CATS program operates a transportation program for homeless persons in San Francisco, the Mobile Assistance Patrol. Van transportation and outreach is provided 24 hours a day, seven days a week to homeless persons. MAP services are coordinated with other City outreach teams, shelters, resource centers, police, and serves as backup to the paramedics for non-emergency transport.

According to Mr. Jon Pon of MOCD, the proposed funding would be used to provide outreach training for 17 CATS employees, seven of which are MAP drivers, and to purchase equipment to improve operations of CATS. All

seven current MAP drivers will be re-trained in outreach skills so that each van would have a team of trained outreach workers in the vehicle at all times.

The proposed budget for the CATS Mobile Assistance Patrol expansion program, funded by the subject $39,934 held in reserve, is as follows:

Training	Unit Cost	Quantity	Total
Outreach training (40 hours @ $42.50/hour)	$1,700	17	**$28,900**
Materials and Supplies			
Cell phones and 1 year of service	$247	14	$3,458
Pagers and 1 year of service	103	14	1,442
Fast Passes / tokens			2,520
First aid kits / supplies			2,000
Personal hygiene products			1,614
Equipment Total:			**$11,034**
Project Total:			**$39,934**

Comment:

1. Acceptance of the 1999 ESGP grant of $891,000 was approved by the Board of Supervisors on February 17, 1999 (File 99-0078). At that time, the Board of Supervisors placed $120,350 on reserve as the Emergency Shelter Grants Pool. According to Mr. Pon, the proposed release of $39,934 in reserved funds would constitute a release of all remaining 1999 Emergency Shelter Grants Pool funds held in reserve.

2. According to Mr. Pon, outreach training will be conducted by The Institute for Community Health Outreach, a non-profit organization.

Recommendation: Approve the release of $39,934 in reserved funds.

Item 9 - File 00-0718

1. This is a hearing to consider (a) the progress in implementing proposed staffing increases at the San Francisco General Hospital (SFGH) Pharmacy, which were approved by the Board of Supervisors in the FY 1999-2000 budget review; (b) expenditures on registry staff during the current fiscal year; (c) implementation of the policy to eliminate co-payments for patients with income at or below 200 percent of the Federal poverty level; (d) current wait times at the Pharmacy; (e) proposed plans to privatize Pharmacy functions, including the cost and benefits of the proposal; (f) whether the Department of Public Health (DPH) can issue a Request for Proposal (RFP) for Pharmacy functions without Board of Supervisors approval and prior to adoption of the FY 2000-2001 budget; (g) how many drugs would be available to patients through private pharmacies if the plan to privatize pharmacy functions is approved by the Board of Supervisors and the Mayor; and (h) other matters related to the current operation of the Pharmacy and the proposed plan to privatize its functions.

2. The attached memorandum, provided by Mitchell H. Katz, M.D., Director of Health, contains an explanation of (a) the progress in filling Pharmacy staff vacancies, (b) expenditures on registry staff in FY 1999-2000, (c) implementation of the policy to eliminate co-payments for drugs for patients with income at or below 200 percent of the Federal poverty level, (d) current Pharmacy wait times, (e) proposed plans to close the SFGH Outpatient Pharmacy, including the costs and benefits of the proposal, (f) drugs which would be available to patients through community pharmacies, and (g) the current status of issuing an RFP for management of pharmacy benefits. According to Dr. Katz, DPH has proposed changes to the SFGH Outpatient Pharmacy only and has not proposed changes to the Inpatient Pharmacy.

3. The Pharmacy Department currently has 3.5 vacant Pharmacy Technician positions out of 28 FTE 2409 Pharmacy Technician positions. Of the four new Pharmacy Technician positions approved in the FY 1999-2000 budget, three positions have been filled and one continues to be vacant. Additionally, two Pharmacy Technician positions are currently vacant due to retirement, and 0.5 FTE Pharmacy Technician position is vacant due to the incumbent's reduction in hours to half-time.

The Pharmacy Department currently has 4 vacant Pharmacist positions out of 25 FTE 2450 Pharmacist positions. Of the two new Pharmacist positions approved in the FY 1999-2000 budget, one position has been filled. Additionally, two Pharmacist positions in the Outpatient Pharmacy and one Pharmacist position in the Inpatient Pharmacy are vacant. Dr. Katz states that DPH has been unable to recruit for the vacant positions due to a national shortage of pharmacists.

DPH has filled a new Interpreter position, and the Interpreter will begin work in the Pharmacy Department on May 10, 2000.

4. According to Dr. Katz, SFGH has spent $709,998 for pharmacy registry services, including Outpatient and Inpatient Pharmacies and the Pharmacy storeroom, through March 31, 2000. Registry expenditures for the Outpatient Pharmacy are $504,416, or 71 percent, of the total expenditures of $709,998. Total Pharmacy registry expenditures of $709,998 are $370,998, or 109 percent, more than the amount included in the FY 1999-2000 DPH budget for pharmacy registry of $339,000.

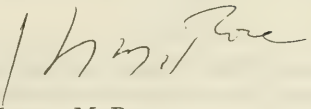
5. In August of 1999 the Outpatient Pharmacy implemented a policy to eliminate the $2.00 per prescription co-payment for patients with income between 101 percent and 200 percent of the Federal poverty level. All patients with income at or below 200 percent of the Federal poverty level are now exempt from the co-payment.

6. The Outpatient Pharmacy has not achieved its targeted goal of an average two-hour wait time. The current average wait time in the Outpatient Pharmacy is three hours. According to DPH, the average daily volume of prescriptions has increased from 1,150 prescriptions prior to August of 1999 to 1,280 prescriptions since August of 1999, an 11.3 percent increase.

7. Dr. Katz advises that the proposed FY 2000-2001 DPH budget includes a proposal to transfer Outpatient Pharmacy services from SFGH to community pharmacies throughout the City. According to Dr. Katz, the proposed plan is to contract with a pharmacy benefits management company to manage outpatient prescription benefits through community pharmacies for DPH clients. Dr. Katz projects that DPH will save approximately $1,700,000 annually by providing outpatient prescription drugs through community pharmacies rather than the SFGH Outpatient Pharmacy.

8. According to Dr. Katz, under the proposed pharmacy benefits management program, DPH outpatient clients would receive the same medications currently available through the SFGH Outpatient Pharmacy, and would have the same eligibility criteria for receiving medications and paying co-payments.

9. Dr. Katz advises that DPH is in the process of developing an RFP to select qualified pharmacy benefits management vendors. However, Dr. Katz states that implementation of a contract with a vendor would not occur until after the FY 2000-2001 DPH budget is approved.



Harvey M. Rose

Supervisor Yee
Supervisor Bierman
President Ammiano
Clerk of the Board
Controller
Steve Kawa

City and County of San Francisco

Department of Public Health

Mitchell H. Katz, MD
Director of Health

MEMORANDUM

Date: May 2, 2000

To: The Honorable Tom Ammiano
President, Board of Supervisors

The Honorable Leland Y. Yee, Ph.D.
Chair, Finance and Labor Committee

The Honorable Sue Bierman
Member, Finance and Labor Committee

From: Mitchell H. Katz, M.D.
Director of Health

Subject: Finance Committee Hearing May 10 on SFGH Pharmacy

This memo is response to your request for information for the May 10, 2000 public hearing on the pharmacy operation at San Francisco General Hospital.

Progress in Implementing Staffing Increases

The SFGH pharmacy department has filled three of the four new outpatient pharmacy technician positions and the newly hired staff completed training and orientation in March. An applicant for the fourth vacant position withdrew his application after having accepted the position. In addition to this vacancy, two long-tenured pharmacy technicians retired and one staff member was granted approval to decrease her hours to half time.

The pharmacy department has also filled one of the two new outpatient pharmacist positions and the new pharmacist has completed her training and orientation in February. We have not been able to recruit the other new position due to the national pharmacist shortage. In addition, two additional vacant positions in the outpatient pharmacy and one vacant position in the inpatient pharmacy have not been filled.

Due to the financial crisis in the Department, the new interpreter position was frozen for a portion of the year. The existing pool of translators provided translation services in all languages in the outpatient pharmacy during this period. Since then, the Department has developed a plan to bring the deficit into balance and the position was released for hiring. A new translator has been successfully recruited and will begin duties in the pharmacy department on May 10.

(415) 554-2600 101 Grove Street San Francisco, CA 94102

FY 99-00 Registry Expenditures

San Francisco General Hospital has spent $709,998 on pharmacy registry services through March 2000. This amount represents expenditures for registry services for the entire pharmacy department that includes outpatient, inpatient, and storeroom pharmacy areas.

Registry expenditures for the outpatient pharmacy are currently $504,416 of the $709,998. Registry staff have been necessary for the outpatient pharmacy due to difficulties in recruiting staff. In addition, registry staff have been used to address varying workload requirements and to keep the prescription wait times as low as possible for our patients.

Elimination of Co-Pay for Patients Under 200% FPL

The policy to eliminate co-pays for patients at or below 200% Federal Poverty Level (FPL) was implemented August 1, 1999. At that time, two new eligibility codes were created; one to indicate patients at or below the 200% FPL and one to indicate patients above 200% FPL. A memo announcing this change in policy was distributed to all providers and Clinic directors in August 1999, and re-distributed again in October 1999.

Current Pharmacy Wait Times

Through the first quarter of 2000, the average wait time to have a prescription filled has been three hours.

Proposed Plans to Close the Outpatient Pharmacy and Cost Benefit Analysis

The FY 00-01 budget includes a proposal to transfer outpatient pharmacy services from SFGH to community pharmacies throughout the City. The outpatient pharmacy at SFGH is currently staffed by contract employees because of the difficulty in hiring civil service staff. No DPH employees will lose their job as a result of this proposal since we desperately need these pharmacists in the inpatient pharmacy. The proposed plan is to retain a pharmacy benefits management (PBM) company instead of maintaining our pharmacy.

Pharmacy benefits managers are used by most health insurance plans to manage prescription benefits for the employer or insurance plan payer, and the insurance plan members who are the beneficiaries of the plan. All pharmacy benefits managers have networks of community pharmacies at which the member/beneficiaries may have their prescriptions filled. As a result, the use of a pharmacy benefits manager by the Department of Public Health will increase patient choice regarding the location where prescription services may be received. This, in turn, will improve patient convenience, spread prescription services throughout several community pharmacies instead of concentrating them all at one site (SFGH), and decrease the time a patient waits to have a prescription filled. In addition, several community pharmacies provide 24-hour prescription services and home delivery of medications, services that are not available at the SFGH pharmacy.

The services provided at the SFGH Outpatient Pharmacy will not be discontinued until a contract with a pharmacy benefits manager contract is in place, and a smooth transition from the current to the proposed prescription service method is completed. The current budget proposal does not contain any changes to inpatient pharmacy services or functions.

The budget proposal includes projected savings of $1.7 million per year by changing the prescription benefit service method. This proposal is based on the experiences of other county-systems, and our own experience with prescription services provided for our mental health patients. As for other outpatient pharmacy changes implemented earlier, we will be monitoring the effect of this change on our patients and to our system. Cost-effectiveness will be part of this monitoring plan.

Drugs to be Available to Patients Through Community Pharmacies

Community pharmacies that will be part of the pharmacy benefits manager (PBM) network will use same Drug Formulary that is currently used by the SFGH Pharmacy. As a result, patients will receive the same medications at the community pharmacies as they currently receive in the outpatient pharmacy at SFGH. They will also pay the same copayment that they current pay at the SFGH pharmacy. Finally, the same eligibility criteria will be in place under a pharmacy benefits manager systems.

As new drug products become available, the SFGH Pharmacy and Therapeutics Committee will continue to modify the drug formulary to be used by the pharmacy benefits manager as appropriate. There are approximately 1100 different drugs on the SFGH Drug Formulary, and approximately 4000 different 'line items' (i.e. different strengths, sizes and drug dosage forms.) These 1100 entities and 4000 line items will continue to be available to CHN patients through community pharmacies that are part of the community pharmacy network.

RFP for Pharmacy Benefits Management

The Department of Public Health has no plans to approve and implement a contract for an outpatient pharmacy benefits manager until the FY 00-01 budget is approved. However, the Department is currently in the process of identifying qualifying pharmacy benefit managers and developing a request for proposal in order to evaluate qualified vendors. After the DPH budget is approved by the Mayor and the Board of Supervisors, the Department will proceed with processing a contract for a pharmacy benefits manager. It is expected that changes in the SFGH outpatient pharmacy will not occur until the fall of 2000.

Thank you for your consideration of this request. If you have any questions, please call me or Monique Zmuda, Chief Financial Officer, at 554-2610. I will be available to answer any questions that Committee members may ask during the hearing on May 10.

Attachment

cc: Budget Analyst
Sharon Kotabe

[All Committees]
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City and County of San Francisco
Meeting Minutes
Finance and Labor Committee

Members: Supervisors Leland Yee, Sue Bierman, Tom Ammiano

Clerk: Mary Red

Wednesday, May 17, 2000 | **10:00 AM** | **City Hall, Room 263**

Regular Meeting

Members Present: Leland Y. Yee, Sue Bierman, Tom Ammiano.

Meeting Convened

The meeting convened at 10:14 a.m.

000778 **[County Jail No. 3 Replacement Project]**
Ordinance authorizing the Department of Public Works to enter into a design-build contract with Morris Diesel International Inc. for the County Jail No. 3 Replacement Project. (Public Works Department)

(Fiscal impact; Companion measure to File 000783.)
4/26/00, RECEIVED AND ASSIGNED to Finance and Labor Committee.
Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Supervisor Yee; Michael Hennessey, Sheriff; Supervisor Ammiano; Monique Moyer; Mayor's Office of Public Finance; Ed Harrington, Controller; Supervisor Bierman.
RECOMMENDED by the following vote:
Ayes: 3 - Yee, Bierman, Ammiano

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000783 **[Issuance of not to exceed $170,310,000 Certificates of Participation for San Bruno Jail Project]**

Resolution approving the execution and delivery of certificates of participation to finance the acquisition, construction and installation of a new maximum security jail facility to replace the existing San Bruno Jail No. 3; approving the form of the property lease between the City and County of San Francisco (the "City") and a trustee relating to certain City-owned properties located in the City and San Mateo County (as further described in this Resolution); approving the form of project lease between the City and a trustee (including certain indemnities contained therein); approving the form of the trust agreement between the City and a trustee (including certain indemnities contained therein), authorizing the selection of a trustee; approving the form of the purchase contract between the City and an underwriter for the sale of certificates of participation; approving the official statement in preliminary and final form; approving the form of a continuing disclosure certificate; authorizing an interest rate swap; approving the validation of the execution and delivery of the certificates of participation; authorizing reimbursement of certain expenditures; authorizing the payment of costs of issuance; adopting findings under the California Environmental Quality Act and findings pursuant to the Planning Code Section 101.1; and ratifying previous actions taken in connection therewith. (Mayor)

(Fiscal impact; Companion measure to File 000778.)

4/26/00, RECEIVED AND ASSIGNED to Finance and Labor Committee

Heard in Committee. Speakers: Harvey Rose, Budget Analyst, Supervisor Yee, Michael Hennessey, Sheriff, Supervisor Ammiano, Monique Moyer, Mayor's Office of Public Finance, Ed Harrington, Controller, Supervisor Bierman. Amendment of the Whole to clarify and simplify description of interest rate swap set forth in Section 9 and reflecting Budget Analyst's recommendations

AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE.

RECOMMENDED AS AMENDED by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

000780 **[Court Employee Compensation - New Classifications]**

Ordinance establishing new titles and schedules of compensation, and continuing other benefits, for classifications of persons employed by the Superior Court of California, County of San Francisco. (Superior Courts)

4/26/00, RECEIVED AND ASSIGNED to Finance and Labor Committee

Heard in Committee Speakers Harvey Rose, Budget Analyst, Judge Alfred Chiantelli, Presiding Judge, Superior Court; Gordon Park-Li, Assistant Chief Executive Officer, Superior Court, Supervisor Ammiano, Andre Spearman, Local 790. Amended to provide retroactive authorization in title

AMENDED.

Ordinance establishing new titles and schedules of compensation, and continuing other benefits, for classifications of persons employed by the Superior Court of California, County of San Francisco; ratifying actions previously taken. (Superior Courts)

(Supervisor Ammiano dissenting in Committee.)

RECOMMENDED AS AMENDED by the following vote:

Ayes: 2 - Yee, Bierman
Noes: 1 - Ammiano

000781 **[MOU - Superior Court and International Federation of Professional and Technical Engineers, Local 21]**

Ordinance implementing the provisions of the Memorandum of Understanding between the Superior Court of California, County of San Francisco and the International Federation of Professional and Technical Engineers, Local 21. (Superior Courts)

4/26/00, RECEIVED AND ASSIGNED to Finance and Labor Committee.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Gordon Park-Li, Assistant Chief Executive Officer, Superior Court. Amended to provide retroactive authorization in the title.

AMENDED.

Ordinance implementing the provisions of the Memorandum of Understanding between the Superior Court of California, County of San Francisco and the International Federation of Professional and Technical Engineers, Local 21; ratifying actions previously taken. (Superior Courts)

RECOMMENDED AS AMENDED by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

000782 **[Court Employee Compensation - Certain Professional Classifications]**

Ordinance implementing the schedules of compensation and other economic benefits for certain classifications of persons employed by the Superior Court of California, County of San Francisco. (Superior Courts)

4/26/00, RECEIVED AND ASSIGNED to Finance and Labor Committee.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Gordon Park-Li, Assistant Chief Executive Officer, Superior Court. Amended to provide retroactive authorization in the title.

AMENDED.

Ordinance implementing the schedules of compensation and other economic benefits for certain classifications of persons employed by the Superior Court of California, County of San Francisco; ratifying actions previously taken. (Superior Courts)

RECOMMENDED AS AMENDED by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

000794 **[Cash Revolving Accounts - Department of Human Services]**

Ordinance amending Article XV, Part I of the San Francisco Municipal Code (Administrative Code), which established cash revolving accounts for the City and County of San Francisco Departments, by amending Section 10.157 to increase the total amount in the Department of Human Services Cash Revolving Account; and by deleting Sections 10.157-1 and 10.157.2 to consolidate the Aid to Families with Dependent Children (AFDC) and General Assistance (GA) accounts into one Department of Human Services Cash Revolving Account.

(Amends Section 10.157; deletes 10.157-1 and 10.157.2.)

4/27/00, RECEIVED AND ASSIGNED to Finance and Labor Committee.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Julie Brenman, Department of Human Services; Ed Harrington, Controller.

RECOMMENDED by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

000839 **[Water Rates for Suburban Resale with Long Term Contract]**

Ordinance approving revised schedule of rates to be charged by the San Francisco Public Utilities Commission for water service to its suburban resale customers. (Public Utilities Commission)

(Certificate of Determination of Exemption/Exclusion from Environmental Review dated May 1, 2000.)

5/3/00, RECEIVED AND ASSIGNED to Finance and Labor Committee With direction to report back to Board May 29, 2000

Heard in Committee. Speakers: Harvey Rose, Budget Analyst, Bill Laws, Public Utilities Commission

RECOMMENDED by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

000844 **[Government Funding - Department of Public Works]**

Ordinance appropriating $12,000,000 in Federal Hazard Mitigation grant funds to the City Hall project, transferring funds to the General Fund, and appropriating $12,000,000 for City Seismic Safety projects, for fiscal year 1999-2000. (Controller)

5/3/00, RECEIVED AND ASSIGNED to Finance and Labor Committee

Heard in Committee. Speakers: Harvey Rose, Budget Analyst, Steve Kawa, Mayor's Budget Office, Tony Irons, City Architect. Amended to place $12,000,000 on reserve; new title.

AMENDED.

Ordinance appropriating $12,000,000 in Federal Hazard Mitigation grant funds to the City Hall project, transferring funds to the General Fund, and appropriating $12,000,000 for City Seismic Safety projects, for fiscal year 1999-2000; placing $12,000,000 on reserve. (Controller)

RECOMMENDED AS AMENDED by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

000843 **[Government Funding - Department of Public Works]**

Ordinance appropriating $10,791,665, including $7,243,940 from Earthquake Safety Bond project balances and interest earnings, to capital improvements, for the City Hall project, for fiscal year 1999-2000. (Controller)

5/3/00, RECEIVED AND ASSIGNED to Finance and Labor Committee

Heard in Committee. Speakers: Harvey Rose, Budget Analyst, Steve Kawa, Mayor's Budget Office, Tony Irons, City Architect.

RECOMMENDED.

000667 **[Transfer of California Department of Transportation Freeway Parcels to CCSF]**

Supervisor Leno

Resolution approving and authorizing the Mayor to enter into an agreement with the State of California for the acquisition of right of ways to certain portions of Route 101 (the former Central Freeway), located generally between Market Street and Turk Street pursuant to and consistent with the intent of SB 98, adopting findings that such acquisition is consistent with the City's General Plan and Eight Priority Policies of the Planning Code Section 101.1; and placing the property under the Department of Public Works' jurisdiction. (Real Estate Department)

4/12/00, RECEIVED AND ASSIGNED to Finance and Labor Committee

5/3/00, SUBSTITUTED. Substitute resolution submitted by Real Estate Department, bearing new title

5/3/00, ASSIGNED to Finance and Labor Committee

Heard in Committee. Speakers: Harvey Rose, Budget Analyst, Tony DeLucchi, Real Estate Department, Supervisor Ammiano; Supervisor Yee.

RECOMMENDED by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

000784 **[Authorizing exercise of option to lease additional space at 1650 Mission Street for the Department of Human Services/Department of Building Inspection]**

Resolution authorizing an amendment to lease real property at 1650 Mission Street for the Department of Human Services and the Department of Building Inspection. (Real Estate Department)

4/26/00, RECEIVED AND ASSIGNED to Finance and Labor Committee.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Tony DeLucchi, Real Estate Department; Supervisor Yee; Julie Brenman, Department of Human Services; Maggie Donahue; Amy Lee, Department of Building Inspection. Amended on page 1, line 8 to change name of lessor to G & I Mission, L. L. C.

AMENDED.

RECOMMENDED AS AMENDED by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

000730 **[Reserved Funds, Department of Human Services]**

Hearing to consider release of reserved funds, Department of Human Services (Fiscal Year 1999-2000 Budget), in the amount of $607,000 to fund the Mission Neighborhood Resource Center project, which will serve homeless people and people at risk for homelessness in the North Mission community. (Human Services Department)

4/19/00, RECEIVED AND ASSIGNED to Finance and Labor Committee. Department requests this matter be calendared at the May 17, 2000 meeting.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Kate Durham, Department of Human Services; Supervisor Ammiano; Sylvie LeMer, T. Cao Restaurant; Fernando Gomez; Peter Glikshtern, Mission Merchants' Association; Terry Giovannini, Mission Health Center; Betty Traynor, Mission Neighborhood Association; Miguel Carvara, Coalition on Homelessness; Sergio Canjura, Central City Hospitality House; Dori Joffroy; Tracey Chew, Notre Dame Senior Plaza; David Delgado, Mission Agenda; David; Marrill Buice, S. F. Community Clinic Consortium; Richard Marquez, Mission Agenda; Supervisor Yee; Ed Harrington, Controller; Michelle Byrd, Department of Human Services. Amended to release $154,349.

APPROVED AND FILED by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

000785 **[Option to acquire property located at 525 Golden Gate Avenue adjacent to the Civic Center core area, to provide for the expansion of governmental functions]**

Resolution approving and authorizing the exercise of an option to acquire real property located at 525 Golden Gate Avenue from the State of California for the nominal price of Two Dollars ($2); adopting findings that the conveyance is consistent with the City's General Plan and Eight Priority Policies of Planning Code Section 101.1; and ratifying prior acts. (Real Estate Department)

4/26/00, RECEIVED AND ASSIGNED to Finance and Labor Committee.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Tony DeLucchi, Real Estate Department.

RECOMMENDED by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

000786 **[2000 Affordable Housing Bond Sale]**

Resolution authorizing and directing the sale of not to exceed $20,000,000 City and County of San Francisco General Obligation Bonds (Affordable Housing) Series 2000D; prescribing the form and terms of said Bonds; authorizing the execution, authentication and registration of said Bonds; providing for the appointment of depositories and other agents for said Bonds; providing for the establishment of accounts related thereto; approving the forms of official notice of sale of Bonds and notice of intention to sell Bonds; directing the publication of the notice of intention to sell Bonds; approving the form and execution of the official statement relating thereto; approving the form of the continuing disclosure certificate; approving modifications to documents; ratifying certain actions previously taken; and granting general authority to City officials to take necessary actions in connection with the authorization, issuance, sale and delivery of said Bonds. (Mayor)

(Fiscal impact.)

4/26/00, RECEIVED AND ASSIGNED to Finance and Labor Committee

Heard in Committee. Speakers: Harvey Rose, Budget Analyst, Sarah Hollenbeck, Mayor's Office of Public Finance; Daryl Higashi, Acting Director, Mayor's Office of Housing.

RECOMMENDED by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

000788 **[Acquisition of a vacant lot containing 10,103.74 sq. ft. located mid-way between Mission and Valencia Streets for open space purposes]**

Resolution approving and authorizing the acquisition of real property in the North Mission District generally described as 45 Hoff Street, (Lot 19 in Assessor's Block 3569) for open space purposes and adopting findings pursuant to Planning Code Section 101.1. (Real Estate Department)

(Fiscal impact.)

4/26/00, RECEIVED AND ASSIGNED to Finance and Labor Committee

Heard in Committee. Speakers: Harvey Rose, Budget Analyst, Tony DeLucchi, Real Estate Department, Ethel Newland, St. John's School.

RECOMMENDED by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

000799 **[Prop J, Contracting Out Security Services]**

Resolution concurring with the Controller's certification that security services can be practically performed at the Department of Human Services by private contractor for a lower cost than similar work services performed by City and County employees. (Human Services Department)

5/1/00, RECEIVED AND ASSIGNED to Finance and Labor Committee

Heard in Committee. Speakers: Harvey Rose, Budget Analyst, Julie Brenman, Human Services Department; Supervisor Yee.

RECOMMENDED by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

000847 **[Authorizing renewal of lease for 1101 Capp Street occupied by Senior Escort Services]**

Resolution authorizing the lease of real property at 1101 Capp Street for the San Francisco Police Department. (Real Estate Department)

5/3/00, RECEIVED AND ASSIGNED to Finance and Labor Committee

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Tony DeLucchi, Real Estate Department

RECOMMENDED by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

000849 **[Authorizing renewal of lease for the Portola Branch Library]**

Resolution authorizing the lease of real property at 2450 San Bruno Avenue for the San Francisco Portola Branch Public Library. (Real Estate Department)

5/3/00, RECEIVED AND ASSIGNED to Finance and Labor Committee.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Tony DeLucchi, Real Estate Department.

RECOMMENDED by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

000850 **[New lease of property at 30 Van Ness Avenue for Ethics Commission currently housed at Fox Plaza, 1390 Market Street]**

Resolution authorizing a lease of 2998 square feet at 30 Van Ness for the Ethics Commission. (Real Estate Department)

5/3/00, RECEIVED AND ASSIGNED to Finance and Labor Committee.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Tony DeLucchi, Real Estate Department.

RECOMMENDED by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

000874 **[San Francisco General Department of Psychiatry]**

Supervisors Ammiano, Leno, Newsom, Yee, Katz, Bierman

Resolution urging the Director of Public Health to refrain from reducing psychiatric beds or services, or to involuntarily reassign psychiatric staff, without the Board of Supervisor's review and approval of the City's FY 2000-2001 Budget, and urging the Director of Public Health and the Chief of Psychiatry to recommend three mental health experts each to provide policy recommendations to the Board.

5/8/00, RECEIVED AND ASSIGNED to Finance and Labor Committee.

Heard in Committee. Speakers: Supervisor Ammiano; Supervisor Yee; Dr. Mitchell Katz, Director of Health; Ed Harrington, Controller; Steve Kawa, Mayor's Budget Office; Fred Hobson, Dr. Robert Okan, Chief of Psychiatry, S.F.G.H.; Dr. Mark Learry, Deputy Chief of Psychiatry, S.F.G.H.

TABLED by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

000882 **[Proposed Reduction in Acute Psychiatric Beds]**

Supervisor Yee

Hearing to consider the proposal by the Department of Public Health to reduce the number of acute psychiatric beds at San Francisco General Hospital.

5/8/00, RECEIVED AND ASSIGNED to Finance and Labor Committee. Schedule for May 17, 2000 meeting.

Heard in Committee. Speakers: Supervisor Ammiano; Supervisor Yee; Dr. Mitchell Katz, Director of Health; Ed Harrington, Controller; Steve Kawa, Mayor's Budget Office; Fred Hobson, Dr. Robert Okan, Chief of Psychiatry, S.F.G.H.; Dr. Mark Learry, Deputy Chief of Psychiatry, S.F.G.H.

CONTINUED TO CALL OF THE CHAIR by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

000040 **[Financial Condition of the San Francisco Unified School District]**

Supervisor Yee

Hearing to consider the financial condition of the San Francisco Unified School District, including a district staff overview of estimated local, state and federal revenues and anticipated expenditures.

1/4/00, RECEIVED AND ASSIGNED to Joint School Board/Board of Supervisors Committee. Sponsor requests this matter be scheduled for the January 26, 2000 meeting. (January 26, 2000 meeting cancelled on January 21, 2000.)

2/14/00, TRANSFERRED to Finance and Labor Committee

Heard in Committee. Speakers: Harvey Rose, Budget Analyst, Supervisor Yee, Supervisor Ammiano, Ed Harrington, Controller; Mary Hernandez, President, Board of Education, Supervisor Bierman, Earnestine Weiss.

CONTINUED TO CALL OF THE CHAIR by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

000411 **[City workers]**

Supervisor Yee

Hearing to consider the treatment and cost of custodial staff and other related service workers, in City Hall.

3/6/00, RECEIVED AND ASSIGNED to Finance and Labor Committee

Heard in Committee. Speakers: Ryan Brooks, Director, Administrative Services, Supervisor Yee, Supervisor Ammiano.

CONTINUED TO CALL OF THE CHAIR by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

LITIGATION

Conference with City Attorney

Convene in Closed Session)

Motion that the Finance and Labor Committee of the Board of Supervisors convene in closed session with the City Attorney, under the provisions of Government Code Section 54956.9 (a) and Administrative Code Section 67.8 (3), for the purpose of conferring with, or receiving advice from, the City Attorney regarding proposed settlements in the lawsuits or claims listed below.

Unanimous vote to convene to closed session.

After a closed session, if one occurs, the Committee shall adopt a motion either to disclose or not to disclose

Closed session pursuant to California Government Code section 54956.9 and San Francisco Administrative Code section 67.10(d).
CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION (DISCUSSION ITEM)

Number of potential cases:
1, as defendant

(Circumstances supporting conclusion that there is a significant exposure to litigation against the local agency pursuant to Government Code section 54956.9(b)(3): four lawsuits have been filed by subcontractors against the general contractor on the City Hall project, who may seek indemnification from the City.)

Deputy City Attorney Tom Owen reported that the Finance and Labor Committee has met in closed session with the City Attorney, under the provisions of Government Code Section 54956.9 (a) and Administrative Code Section 67.8 (3), for the purpose of conferring with, or receiving advice from, the City Attorney regarding settlements in the lawsuits or claims listed above.

[Elect Not to Disclose]
Motion that the Committee finds that it is in the best interest of the public that the Committee elect at this time not to disclose its closed session deliberations concerning the anticipated litigation listed above.

Unanimous vote not to disclose deliberatons.

ADJOURNMENT

The meeting adjourned at 3:05 p.m.

[Budget Analyst Report]
Susan Hom
Main Library-Govt. Doc. Section

90.254
2
1/17/00

CITY AND COUNTY OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642
FAX (415) 252-0461

DOCUMENTS DEPT.

MAY 17 2000

SAN FRANCISCO
PUBLIC LIBRARY

May 11, 2000

TO: Finance and Labor Committee

FROM: Budget Analyst

SUBJECT: May 17, 2000 Finance and Labor Committee Meeting

Items 1 and 2 – Files 00-0788 and 00-0783

Department: Department of Public Works (DPW)
Mayor's Office of Public Finance

Items: File 00-0778: Ordinance authorizing the Department of Public Works to enter into a design-build contract with Morse Diesel International Inc. for the County Jail No. 3 Replacement Project. (Public Works Department) .

File 00-0783: Resolution approving the execution and delivery of Certificates of Participation in an amount not to exceed $170,310,000 to finance the acquisition, construction and installation of a new maximum security jail facility to replace the existing San Bruno Jail No. 3; approving the form of the property lease between the City and County of San Francisco (the "City") and a trustee relating to certain City-owned properties located in the City and San Mateo County (as further described in this Resolution); approving the form of project lease between the City and a trustee (including certain indemnities contained therein); approving the form of the trust agreement between the City and a trustee (including certain indemnities contained therein); authorizing the selection of a trustee; approving the form of the purchase

contract between the City and an underwriter for the sale of Certificates of Participation; approving the official statement in preliminary and final form; approving the form of a continuing disclosure certificate; authorizing an interest rate swap; approving the validation of the execution and delivery of the Certificates of Participation; authorizing reimbursement of certain expenditures; authorizing the payment of costs of issuance (including underwriter's discount and bond insurance); adopting findings under the California Environmental Quality Act and findings pursuant to the Planning Code Section 101.1; and ratifying previous actions taken in connection therewith.

Description:

Background

In May of 1991, an action was filed against the City (Jones v. City and County of San Francisco et al.) challenging that the conditions at County Jail No. 3 in San Bruno were in violation of constitutional requirements. The United States District Court concluded in 1997 that the Jail violated the United States Constitution. The District Court specifically found that the existing Jail posed health, fire safety and seismic risks. After several years of litigation, a settlement agreement was reached that resulted in dismissal of the plaintiff's action, so long as certain conditions are met by the City. These conditions include (a) the construction of a new jail facility; (b) the continuance of certain improvements made to County Jail No. 3 between July, 1997 and the present; and (c) improvements in the conditions at County Jail No. 3 on an interim basis, pending completion of a proposed new jail facility. The settlement agreement was approved by the Board of Supervisors in April of 1999. The City Attorney advised the Board of Supervisors at that time that, if the City decided not to proceed with the construction of a new jail, the proposed settlement agreement would be set aside and the lawsuit would proceed.

Item 1 - File 00-0778: Ordinance Approving Design-Build Construction Contract

1. In March of 2000, the Board of Supervisors approved an Ordinance authorizing the Sheriff's Department, the Department of Public Works, the City Architect, the City Attorney's Office and the Mayor's Office of Public Finance to negotiate and enter into a design-build/finance contract with Prison Realty Trust for the County Jail No. 3 Replacement Project. (File 00-0088, Ordinance 40-00). Ordinance 40-00 outlined the terms of a design-build/finance contract and authorized the Director of Public Works and City Attorney to negotiate the contract in accordance with such terms. Among other conditions, the final ordinance as recommended by the Finance and Labor Committee and approved by the Board of Supervisors stipulated that the total contract amount of the design-build/finance contract would not exceed $115,000,000. In addition to the $115,000,000 contract cost for construction of the County Jail No. 3 Replacement Project, City costs of $17,200,581 have been identified, resulting in total project costs of $132,200,581.

2. According to the proposed resolution in File 00-0778, since approval of the above referenced ordinance, Prison Realty Trust has "experienced certain business difficulties and was not able to proceed with negotiations for a design-build contract". (Since the Mayor's Office of Public Finance had determined that it would be advantageous for the City to issue Certificates of Participation to fund the project, no financing assistance would be required of the contractor. Hence, the proposed contract is a design-build contract only and not a design-build/finance contract).

3. The proposed design-build contract is now between the City and the General Contractor that had teamed with Prison Realty Trust for the originally conceived design-build/finance contract, Morse Diesel International, Inc. (MDI). MDI has separate agreements with the following entities to provide service to MDI under the proposed contract:

- Acumen Building Enterprise: Consultant to MDI, providing a project engineer
- Arcost CPM Group: Consultant to MDI, providing a project scheduler
- Kaplan McLaughlin Diaz: Lead Architect
- Gerson/Overstreet: Associate Architect. consultant to KMS
- The Crosby Group: Lead Structural, consultant to KMD
- SOH & Associates: Structural, consultant to KMD
- MCT Engineering: MEP & Security, consultant to KMD
- JP Singh: Seismic Specialist, consultant to KMD
- Telamon Engineering, Civil, consultant to KMD
- The Zahn Group, Technical Specifications, consultant to KMD

A summary budget for the proposed design-build construction contract is shown below:

Construction Subcontractors [1]	$ 83,488,652
Contingency	8,025,000
Permits and Taxes	875,000
Bonds and Insurance	3,011,348
Design	7,200,000
MDI General Conditions/Fee	12,400,000
Total	$115,000,000

Attachment 1 to this report provides a detailed breakdown of the summary budget shown above.

Attachment 2 to this report is a memorandum from the Human Rights Commission describing the MBE/WBE status and level of participation for all contractors listed above for the design phase of the project. According to Mr. James Cheung, Project Manager for DPW, the MBE participation goal for the design phase of the project was 19 percent and the actual HRC certified participation is 38.9 percent. The WBE participation goal for the design

[1] As specified in Ordinance 44-00, construction subcontractors will be selected based on a weighted scale of cost, achievement of Human Rights Commission goals and workforce availability.

phase of the project was four percent and the actual HRC certified participation is 7.6 percent.

4. The proposed ordinance in File 00-0778 certifies that the proposed contract with MDI complies with the terms and conditions set forth in Ordinance 40-00. These terms and conditions are as follows:

a. the total project cost of the contract with MDI for the design-build portion of the project will not exceed $115,000,000.

b. All construction sub-contracts costing $500,000 or more, including at least 80% of all labor, equipment, material, and supply subcontract costs, will be competitively bid to at least three qualified bidders for each subcontract bid package. Subcontracts would be awarded by MDI with the review and approval of the City (represented by the DPW Project Manager) based on a weighted scale of cost, achievement of Human Rights Commission goals and workforce availability.

c. MDI would be responsible for providing all design and construction services necessary for receipt of an occupancy permit for a facility meeting or exceeding all design and specification requirements, all industry standards and all applicable codes and regulations.

The Project would be required to meet the program needs identified by the Sheriff and agreed upon between the two parties, including but not limited to the following:

- 384 cells each accommodating two prisoners,
- kitchen and eating facilities,
- medical and administration facilities and support services.
- MDI would provide all design consultants necessary for the design and construction and administration services through permitted occupancy and final project closeout. The not-to-exceed cost of $115,000,000 for the design-build

portion of the project includes estimated amounts to be paid by MDI to its general contractor and design team, which amount would be adjusted after actual bids have been received on the subcontractor bid packages. The amount to be paid to MDI for supervision, overhead and profit, and to its architect for all design services as described herein, collectively, would be no more than 25% of the actual cost of construction of the Project.

d. MDI would produce a bid package schedule which minimizes the construction duration. It is estimated that construction would begin upon the issuance of a notice to proceed by the DPW and the facility would become operational in approximately 38 months.

e. MDI could re-design and re-bid subcontractor bid packages if the bids for subcontractor bid packages exceed the budgeted amount. The cost of re-design would be paid 50% by MDI and 50% from the re-designed bid package price.

f. MDI would assume responsibility for all change orders which do not arise from DPW requested changes to the Project's program.

g. MDI would assume responsibility for on-budget, on-schedule delivery of the Project regardless of its contractual agreements with parties other than the City. The Project would be completed within 38 months after the City issues the Project's notice to proceed.

Item 2 - File 00-0783: Resolution approving the execution and delivery of Certificates of Participation in an amount not to exceed $170,310,000 to finance the County Jail No. 3 Replacement Project

1. This proposed resolution would authorize the issuance of Certificates of Participation in a par amount not to exceed $170,310,000. The use of proceeds from the COPs issuance to provide funds for the construction of the County Jail No. 3 Replacement Project will be subject to future appropriation approval by the Board of Supervisors. In addition, the proposed resolution authorizes the City to execute an Asset Transfer in order to reduce the amount of money that must be borrowed in order to fund the project. Lastly, the proposed resolution authorizes an interest rate swap agreement that would be executed by the Mayor's Director of Public Finance in order to reduce the total debt service required to repay the Certificates of Participation.

2. The actual proceeds from the sale of Certificates of Participation (COPs) required to fund the proposed project will depend on municipal tax exempt interest rates at the time the COPs are sold. The not to exceed amount assumes that current interest rates will increase by one percent by September of 2000 when the COPs are expected to be sold. According to Ms. Monique Moyer, Mayor's Director of Public Finance, if the COPs had been sold in April of 2000, the average interest rate would be 5.66 percent and the par amount of the COPs that would have to be issued would be approximately $163,200,000. However, Ms Moyer notes that interest rates have already risen since April of 2000.

3. The COPs par amount not to exceed $170,310,000 as specified in the proposed resolution assumes interest rates will increase by as much as one percent above the April levels of 5.66 percent for municipal tax exempt COPs. According to Ms. Moyer, the actual amount of COPs that will be issued will not exceed the amount required to provide total construction funding for the project in the amount of $132,200,581. A summary table

of project sources and uses, assuming the issuance of $170,310,000 is shown below:

Sources	
Par amount of Certificates:	$170,310,000
Interest Earnings for Construction Fund:	12,684,344
Total Sources:	$182,994,344

Uses	
Construction fund:	$132,200,000
Capitalized interest fund:	32,131,954
Debt service reserve fund:	13,125,248
Certificate (bond) Insurance:	3,102,643
Underwriter's Discount:	1,293,565
Cost of Issuance:	1,140,934
Total Uses:	$182,994,344

Based on the issuance of $170,310,000 in COPs, the average debt service (after construction) is assumed to be $13,118,105 per year. Total debt service would be $432,897,483 over the life (including payments from amounts available in the capitalized interest and reserve funds).

4.The proposed resolution would also authorize the City to execute an asset transfer in order to reduce the total amount of funds to be borrowed. Such an asset transfer would pledge the full 145 acres of the San Bruno Jail complex and County Jail Number 8/9 (the recently constructed jail facility at the Hall of Justice) as collateral during the construction of the Jail No. 3 Replacement Project. The asset transfer technique was also used to finance the City's 800 megahertz radio system project.

Should the asset transfer prove feasible in the amounts anticipated (depending on the appraised valuation of the assets to be pledged) the par amount of the COPs to be issued can be reduced by approximately $22,000,000 to $148,265,000. The table below shows the projected sources and uses of funds should this amount of COPs be issued.

Sources	
Par amount of Certificates:	$148,265,000
Interest Earnings for Construction Fund:	12,684,344
Total Sources:	$160,949,344

Uses	
Construction fund:	$132,200,000
Capitalized interest fund:	12,316,062
Debt service reserve fund:	11,426,918
Certificate (bond) Insurance:	2,681,075
Underwriter's Discount:	1,184,355
Costs of Issuances:	1,140,934
Total Uses:	$160,949,344

Under the scenario where the COPs issuance is reduced to $148,265,000, the average annual debt service (after construction) would be $9,998,547. Debt service over the life of the certificates would be $329,952,058 (including payments from amounts available in the capitalized interest and reserve funds). The City would be required to appropriate lease payments totaling approximately $18.1 million over the four year period of FY 2001-2002 through FY 2004-2005.

5. Attachment 3 to this report is a memorandum provided by Ms Moyer describing the final plan of finance and the proposed asset transfer. Ms Moyer's memorandum includes exhibits that detail the City's project cost of $17,200,581 (which will also be funded from the COPs issuance), the $1,140,934 cost of issuance, a debt service schedule based on the sale of $170,310,000 in COPs and a comparison of debt alternatives that illustrates the benefit of the anticipated asset transfer. The last exhibit to Attachment 3 shows that the potential reduction in the par amount of the COPs under the anticipated execution of an asset transfer is approximately $22,000,000 and that the total savings in debt service over the life of the COPs is $56,025,250.

6. The proposed resolution would also authorize the Mayor's Director of Public Finance to enter into an "interest rate swap" if market conditions are favorable to the City. The proposal involves the potential execution of a fixed to floating rate swap in order to offset General Fund debt service requirements during the 42 month period during which capitalized interest must be paid on the COPs. According to Ms Moyer, the Mayor's Office of Public Finance has worked extensively with the City's financial advisor, senior underwriter and bond counsel on this matter.

7. Should market conditions appear favorable for execution of the interest rate swap, the City would potentially achieve financial benefits, the value of which cannot be estimated at this time. An analysis of historical interest rate relationships by Ms Moyer indicates that since 1989, a fixed to floating interest rate swap strategy would have produced benefits averaging approximately $1.3 million annually based on a total COPs issuance of approximately $148 million.

This strategy includes risk to the City however. Such risks include interest rate volatility that could result in additional expenditures by the City instead of reduced debt service expenditures. A second area of risk is "counterparty risk" whereby the second party to the City in an interest rate swap agreement faces bankruptcy or extreme financial distress to the point that said counterparty is unable to make payments due the City.

8. Attachment 4 to this report is a second memorandum from Ms Moyer that: a) explains interest rate swap agreements; b) the potential benefits of an interest rate swap; c) the risks associated with an interest rate swap (interest rate volatility and counterparty risk) and the proposed approach to mitigate such risks; and, d) background information on the interest rate swap market. Attachment 4 also includes an exhibit that shows the potential benefit of the interest rate swap based on historical interest rate relationships since 1989. This exhibit illustrates that under the stated assumptions, the City's financial benefit from the interest rate swap would total approximately $5.1 million over the 42 month period

during which the interest rate swap agreement would be in place.

Comments

1. The Budget Analyst notes that the proposal to authorize an interest rate swap agreement contains elements of risk that cannot be entirely eliminated. However, the Mayor's Office of Public Finance, with the advice of the City's independent Financial Advisor, will not enter into such an agreement unless interest rate swap market conditions appear favorable to the City. Also, the Mayor's Office of Public Finance has proposed steps to mitigate risks associated with interest rate volatility and counterparty solvency, as described in Attachment 4 to this report. Despite these safeguards however, there is a chance that the interest rate swap will result in increased expenditures for the City during the term of the swap agreement, a period of up to 42 months, instead of offsetting the City's debt service expenditure as intended.

2. In the opinion of the Budget Analyst, the proposed resolution (Item 2, File 00-0783) should contain language that provides assurances to the Board of Supervisors that the par amount of the COPs issuance will not exceed the maximum amount necessary to provide sufficient net proceeds to fund the $132,200,581 amount required for construction of the Jail No. 3 Replacement Project. As previously noted, the amount of the COPs issuance will not exceed $170,310,000, depending on prevailing interest rates at the time the COPs are issued and the financial viability of executing an asset transfer to reduce the par amount of the COPs. The Budget Analyst therefore recommends specific language to assure that the amount of the COPs to be issued will not exceed the minimum amount necessary to provide the required project construction funds (see Recommendation 1 below).

3. Because of the risks associated with the potential use of an interest rate swap agreement to offset the City's debt service payments during the period interest is capitalized on the COPs issuance, approval of the proposed ordinance and resolution are policy matters for the Board of Supervisors.

Recommendations:

1. In accordance with Comment 2 above, insert the following language on page four, beginning on line seven of Item 2 – File 00-0783 following the words "shall not exceed twelve percent (12%)":

.... further provided, that the amount of Certificates issued shall be no greater than required to finance an amount of net construction proceeds, which when aggregated with amounts reasonably anticipated to be earned on such net construction proceeds, shall not significantly exceed $132,200,581 as certified by the City's independent financial advisor as a pre-condition to the City's delivery of the Certificates to the Trustee.

2. Approval of the proposed ordinance and the proposed resolution, as amended, is a policy matter for the Board of Supervisors.

San Bruno County Jail #3 - Construction Budget

Description	Budget
A. Subcontractors	
Division 1 - General Conditions	$220,004
Division 2 - Site work	8,149,944
Division 3 - Foundations	11,486,113
Division 4 - Masonry	4,166,071
Division 5 - Metals	3,718,677
Division 6 - Wood & plastic	1,299,779
Division 7 - Thermo/Moisture Protection	1,983,991
Division 8 - Doors & windows	8,644,106
Division 9 - Finishes	4,239,384
Division 10 - Specialties	1,559,363
Division 11 - Equipment	2,058,552
Division 12 - Furnishings	0
Division 13 - Special Construction	5,349,968
Division 14 - Conveying systems	1,274,517
Division 15 - Mechanical	14,846,990
Division 16 - Electrical	13,664,574
Subcontractor Bonds	826,619
Total Subcontract Cost	$83,488,652
B. Contingency	
Bid Contingency	4,012,500
Developer's Contingency	4,012,500
Total Contingency	$8,025,000
C. Permits/Tax	
Permits	525,000
Gross Receipt Tax	350,000
Total Permits/Tax Cost	$875,000
D. Bonds/ Insurance	
Bond	1,050,000
Builders Risk Insurance	222,348
Professional Liability Insurance	199,500
General Liability	1,039,500
Pre-Construction Costs	500,000
Total Bonds/Insurance Cost (3.26%)	$3,011,348
E. Design*	
KMD Design	7,200,000
Total Design Cost (7.79%)	$7,200,000
F. MDI*	
General Conditions/ Fee	12,400,000
Total MDI Cost (13.42%)	$12,400,000
Total Contract Cost	**$115,000,000**

* Total design cost & MDI GC Fee is 21.21% of actual subcontract costs. The developer will not be entitled to any design & MDI GC Fee (21.21%) on the developer's contingency work, permits tax and bonds/insurance. Final design costs & MDI GC Fee will be adjusted when the total subcontract costs are determined and finalized as per contract documents.

City and County of San Francisco

Willie Lewis Brown, Jr.
Mayor

Human Rights Commission
Contract Compliance
Dispute Resolution/Fair Housing
Minority/Women/Local Business Enterprise
Lesbian Gay Bisexual Transgender & HIV Discrimination

Virginia M. Harmon
Interim Director

MEMORANDUM

TO: James Cheng, DPW

FROM: Veronica Ng, HRC

Date: May 11, 2000

RE: San Bruno County Jail Project

As per your request, the following is the team participation (design phase) for the above referenced project:

KMD(Prime)	34%
Gerson Overstreet(MBE)	13.86%
The Crosby Group	9.9%
SOHA Engineers	5.28%
JP Singh	1.32%
MCT Engineers (MBE)	25.08%
Telamon Engineering (WBE)	6.27%
Bill Caruso	2.97%
The Zahn Group (WBE)	1.32%

If you need any further information, please do not hesitate to contact me at 558-4014

25 Van Ness Avenue
Suite 800
San Francisco
California 94102-6033

TEL (415) 252-2500
FAX (415) 431-5764
TDD (415) 252-2550
http://www.sfhumanrights.org

OFFICE OF THE MAYOR
SAN FRANCISCO

WILLIE LEWIS BROWN, JR.

Date: May 12, 2000

To: Ken Bruce, Office of the Budget Analyst

From: Monique Moyer, Mayor's Office of Public Finance

RE: County Jail No. 3 Replacement Project
$170,310,000 Certificates of Participation
Final Plan of Finance

The proposed Resolution pending before the Board of Supervisors requests authorization for up to $170,310,000 of certificates of participation to finance the San Bruno Jail No. 3 Replacement Project. This is a maximum, not to exceed amount that anticipates a 1% increase in municipal tax exempt rates. The sources and uses of the certificate proceeds are as follows:

Sources	
Par amount of Certificates:	$170,310,000
Interest Earnings for Construction Fund:	12,684,344
Total Sources:	$182,994,344

Uses	
Construction fund:	$132,200,000
Capitalized interest fund:	32,131,954
Debt service reserve fund:	13,125,248
Certificate (bond) Insurance:	3,102,643
Underwriter's Discount:	1,293,565
Costs of Issuances:	1,140,934
Total Uses:	$182,994,344

The certificates are scheduled to be issued in September 2000. The construction period is 36 months and the capitalized interest period is 42 months. The term of the certificates is for 33 years (30 years plus 3 years of construction). Summaries of construction expenditures (Exhibit 1) and the costs of issuances (Exhibit 2) are attached hereto. The average interest rate is inflated to be 6.67% (approximately 1% above current interest rates). The average debt service (after construction) is assumed to be $13,118,105 per year and $432,897,483 over the life (including payments from amounts available in the capitalized interest and reserve funds). A debt service schedule is attached as Exhibit 3. Lifetime debt service net of capitalized interest and reserve fund monies is $356,128,667.

If the certificates were issued in April 2000, they would be issued in the amount of $163,200,000. The average interest rate would be 5.66% and the average annual debt service (after construction) would be $11,233,713. Debt service over the life of the certificates would be

$370,712,523 (including payments from amounts available in the capitalized interest and reserve funds).

Asset Transfer

The proposed Resolution authorizes the City to execute an Asset Transfer in order to reduce the amount of money required to be borrowed. As you know, certificates of participation are not debt as defined by the State Constitution. Rather, they constitute a lease between the City's trustee, Wells Fargo Bank and the City. As such, the City cannot make a lease payment until the City has beneficial use of the Jail, which is determined by a certificate of occupancy (aka substantial completion). Therefore, the City has to include capitalized interest (interest to pay certificate-holders during construction) as part of its borrowing costs.

However, under an asset transfer structure, the City pledges additional current assets to the Trustee as collateral. Since the City has full benefit of the assets, the City can make lease payments on such assets immediately. This reduces and or eliminates the amount of capitalized interest that must be borrowed.

Proposed Assets & Collateral Structure • The Mayor's Office of Public Finance (MOPF) has proposed that the City pledge the full 145 acres of the San Bruno jail campus (including the existing Jails No. 3 and No. 7) and County Jail No. 8 9 (at 7th & Bryant streets) as collateral during the construction period. The combined value of these facilities is expected to be approximately $100 million. Since the collateral value of these 2 assets is less than the amount of the asset transfer certificates ($148 million), a portion of the interest due during construction must still be capitalized. The remaining portion of interest due would be appropriated from the General Fund on an annual basis.

The MOPF is proposing that interest be capitalized in full for the first 12 months of construction and in part (equal to 1/3 of the payment due) for the remaining 30 months. Under this schedule, payments would be appropriated from the General Fund in fiscal years, 2001-02, 2002-03 and 2003-04.

Upon completion of construction, the liens on the full San Bruno campus and County Jail No. 8/9 would be released and replaced by a lien on the new replacement facility, County Jail No. 3.

Financial Benefit • As indicated in Exhibit 4, hereto, an asset transfer structure would reduce the City's costs by 13% as follows: the amount of certificates issued would be $148,265,000 (a savings of $22 million) thereby reducing the City's debt service to $11,420,371 per year (a savings of $1.88 million) and $376,872,233 (a savings of $56 million) over the life of the certificates. The City would be required to appropriate $4,952,695 in FY 2001-02, $6,578,231 in FY 2002-03 and FY 2003-04, respectively for a total of $18,109,157.

The sources and uses of the asset transfer certificates are as follows:

Sources	
Par amount of Certificates:	$148,265,000
Interest Earnings for Construction Fund:	12,684,344
Total Sources:	$160,949,344

Uses	
Construction fund:	$132,200,000
Capitalized interest fund:	12,316,062
Debt service reserve fund:	11,426,918
Certificate (bond) Insurance:	2,681,075
Underwriter's Discount:	1,184,355
Costs of Issuances:	1,140,934
Total Uses:	$160,949,344

If the asset transfer certificates were issued in April 2000, they would be issued in the amount of $145,255,000. The average interest rate would be 5.66% and the average annual debt service (after construction) would be $9,998,547. Debt service over the life of the certificates would be $329,952,058 (including payments from amounts available in the capitalized interest and reserve funds). The City would be required to appropriate lease payments totaling approximately $18.1 million over the four year period of FY 2001-2002 through FY 2004-2005.

Attachment

Cc: Sheriff Hennessey
Ed Harrington
Ben Rosenfield

San Bruno Jail Replacement - City Costs

1 *Peer Review (Estimated):* Provide design review during planning/design phase to insure compliance with program requirements. This task will be performed by consultants with expertise in prison design. — *$500,000*

2 *Testing, Inspection & Contract Administration:*

Materials Testing (Estimated): Provide testing of materials such as soils, concrete, reinforcing steel, welding and other testing specified in the contract. — *$350,000*

Inspection: Provide inspection and construction administration services to insure work is in compliance with contract documents. — *$3,769,219*

	Class	Cost/Hour	# of Hrs	Subtotal
5208	Civil Engineer	105.05	6,500	682,825
5206	Associate Engineer	90.75	6,000	544,500
5204	Assistant Engineer	77.55	5,000	387,750
5238	Assoc. Elect. Engr	90.75	3,500	317,625
5254	Assoc. Mech. Engr	90.75	3,500	317,625
5268	Architect	106.70	4,000	426,800
6348	Electrical Inspector	96.11	3,750	360,422
6342	Plumbing Inspector	96.11	3,750	360,422
1446	Secretary II	59.40	6,250	371,250

3 *Site Hazardous Materials Mitigation & Environ. Issues Monitoring (Estimated):* — *$500,000*

4 *Project Management:* Provide project management and technical support services to insure project is completed on schedule and within budget. — *$1,831,363*

	Class	Cost/Hour	# of Hrs	Subtotal
5508	Project Manager IV	152.90	7,000	1,070,300
5504	Project Manager II	112.75	6,750	761,063

5 *Construction Management (As Needed Scheduling & Estimating):* — *$500,000*

6 *Regulatory fund & City Contingency:* — *$6,000,000*

7 *Demolition:* — *$3,250,000*

Hazardous Materials Mitigation (Estimated)	1,750,000
Demo Existing County Jail	1,500,000

8 *Other City Departments:* — *$500,000*

City Attorney's Office	250,000
Sheriff's Department	250,000

Total — *$17,200,581*

City & County of San Francisco *Exhibit 2*
Certificates of Participation (San Bruno Jail Replacement Project)

Estimated Costs of Issuance

	Estimate	Fee Basis	Hourly Rate	# of Hours	Total
FINANCIAL ADVISOR FEES	$ 75,075	Maximum Fee Amount			
CO FINANCIAL ADVISORS					
Stephens, McCarthy, Kuenzel & Caldwell			$ 195.00	385	$75,075.00
BOND COUNSEL FEES	$ 43,519	Flat Fee Contingent			
CO BOND COUNSELS		Upon Issuance of Bonds			
Jones Hall Hill & White					
Law Offices of Lisa Quateman					
Fees	5,000				
CITY ADMIN. (Public Finance)	$ 106,000	Hourly Costs			
Director of Public Finance			$ 93.00	1000	$ 93,000
Public Finance Manager			$ 65.00	200	$ 13,000
CONTROLLER ADMIN.	$ 15,000	Hourly Cost			
Budget & Operations Mgr			$ 60.00	250	$ 15,000
CITY ATTORNEY FEES	$ 566,558	Hourly Cost			
Bond Attorney					$ 319,178
Real Estate Attorney					$ 187,564
Environmental					$ 59,816
RATING AGENCY FEES	$ 135,000	Estimated Flat Fee			
Standard & Poors					$ 45,000
Moodys					$ 45,000
Fitch					$ 45,000
PRINTING	$ 20,000	Estimated Flat Fee			
Printing of Preliminary Official Statement and Official Statements (POS/OS)					
ADVERTISING	$ -	Estimated Fees			
TRUSTEE	$ 4,500	Estimated Fee			
Union Bank of California					
APPRAISAL & SITE ASSESSMENT	$ 35,282				
DPW		7,813			
Contractor		27,469			
PROPERTY INSURANCE	$ 110,000	Estimated Fee			
TITLE INSURANCE	$ 20,000	Estimated Fee			
CONTINGENCY/ROUNDING	$ 5,000	Estimated			
TOTAL COST OF ISSUANCE	**$1,140,934.00**				

Exhibit 3

BOND DEBT SERVICE

San Francisco Jail April 12 Scale
Base Case Plus 100bp

Period Ending	Principal	Coupon	Interest	Debt Service
06/30/2001			5,601,653.75	5,601,653.75
06/30/2002			11,203,307.50	11,203,307.50
06/30/2003			11,203,307.50	11,203,307.50
06/30/2004			11,203,307.50	11,203,307.50
06/30/2005	1,975,000	5.500%	11,148,995.00	13,123,995.00
06/30/2006	2,085,000	5.600%	11,036,302.50	13,121,302.50
06/30/2007	2,210,000	5.700%	10,914,937.50	13,124,937.50
06/30/2008	2,340,000	5.800%	10,784,092.50	13,124,092.50
06/30/2009	2,480,000	5.850%	10,643,692.50	13,123,692.50
06/30/2010	2,630,000	5.950%	10,492,910.00	13,122,910.00
06/30/2011	2,795,000	6.050%	10,330,118.75	13,125,118.75
06/30/2012	2,970,000	6.150%	10,154,242.50	13,124,242.50
06/30/2013	3,160,000	6.200%	9,964,955.00	13,124,955.00
06/30/2014	3,360,000	6.300%	9,761,155.00	13,121,155.00
06/30/2015	3,580,000	6.350%	9,541,650.00	13,121,650.00
06/30/2016	3,815,000	6.400%	9,305,905.00	13,120,905.00
06/30/2017	4,070,000	6.450%	9,052,567.50	13,122,567.50
06/30/2018	4,345,000	6.500%	8,780,097.50	13,125,097.50
06/30/2019	4,635,000	6.550%	8,487,088.75	13,122,088.75
06/30/2020	4,950,000	6.600%	8,171,942.50	13,121,942.50
06/30/2021	5,290,000	6.650%	7,832,700.00	13,122,700.00
06/30/2022	5,655,000	6.700%	7,467,365.00	13,122,365.00
06/30/2023	6,050,000	6.700%	7,075,247.50	13,125,247.50
06/30/2024	6,465,000	6.700%	6,655,995.00	13,120,995.00
06/30/2025	6,915,000	6.700%	6,207,765.00	13,122,765.00
06/30/2026	7,395,000	6.750%	5,726,531.25	13,121,531.25
06/30/2027	7,915,000	6.750%	5,209,818.75	13,124,818.75
06/30/2028	8,465,000	6.750%	4,656,993.75	13,121,993.75
06/30/2029	9,055,000	6.750%	4,065,693.75	13,120,693.75
06/30/2030	9,690,000	6.750%	3,433,050.00	13,123,050.00
06/30/2031	10,365,000	6.750%	2,756,193.75	13,121,193.75
06/30/2032	11,090,000	6.750%	2,032,087.50	13,122,087.50
06/30/2033	11,865,000	6.750%	1,257,356.25	13,122,356.25
06/30/2034	12,695,000	6.750%	428,456.25	13,123,456.25
	170,310,000		262,587,482.50	432,897,482.50

City and County of San Francisco
San Bruno Jail #3 Replacement Project

Exhibit 4
4/27/00

Comparison of Debt Alternatives

Maximum Interest Rates:	Scenario 1 Fixed Rate	Scenario 2 $100 MM Asset Transfer	Savings
Par (Borrowing) Amount	170,310,000	$ 148,265,000	$ 22,045,000
Deposit to Capitalized Interest	32,131,954	$ 12,316,062	$ 19,815,892
Deposit to Construction Fund	119,515,656	$ 119,515,656	$ -
Earnings on Const. Fund	12,684,344	$ 12,684,344	$ -
GF Payment during Construction	-	$ 18,109,157	$ (18,109,157)
GF Debt Payment After Const.	13,118,106	$ 11,240,371	$ 1,877,735
Total Gross Debt Service	432,897,483	$ 376,872,233	$ 56,025,250

OFFICE OF THE MAYOR
SAN FRANCISCO

WILLIE LEWIS BROWN, JR.

Date: May 9, 2000

To: Ken Bruce, Office of the Budget Analyst

From: Monique Moyer, Mayor's Office of Public Finance

RE: County Jail No. 3 Replacement Project
$170,310,000 Certificates of Participation
Interest Rate Swap

The proposed Resolution pending before the Board of Supervisors requests authorization for me, as Director of the Office of Public Finance, to enter into an Interest Rate Swap if market conditions are favorable. My office has worked extensively on this matter with Stephens, McCarthy, Kuenzel & Caldwell (our financial advisor), Lehman Brothers (our senior underwriter) and Jones Hall (our bond counsel). We propose that the City execute a Fixed to Floating Interest Rate Swap as a method for offsetting debt service costs during the construction. Any earnings generated by the swap would be used to offset debt service payments from the General Fund. Details of the proposal are presented below.

Definition

Barron's Financial Guidelines defines an interest rate swap as "an arrangement whereby two parties (called counterparties) enter into an agreement to exchange periodic interest payments." The payments are based on a fixed principal amount, called the notional amount because no principal amount is actually exchanged between the parties; only interest is exchanged. One party pays interest on the notional amount at a variable rate as the rate actually fluctuates. The other party pays interest on the notional amount at a fixed rate for the life of the swap. The fixed rate is either bid or negotiated as the swap is executed. Swaps can be negotiated for a variety of terms and are generally not less than 2 years and not more than 20 years.

A counterparty is simply the second party to the agreement. The City's proposed bond documents require that the counterparty be AAA-rated by both Moody's Investor's Service and Standard & Poor's Corporation. Common AAA-rated counterparties for municipal swaps include special purpose entities whose parent companies are AIG (the insurance conglomerate), AMBAC (a traditional bond insurance company) and various Wall Street firms such as Bear Stearns, Lehman Brothers, Merrill Lynch, Morgan Stanley, Nationsbank, Salomon Smith Barney and Sumitomo Bank.

Counterparties typically are financial institutions who offer their services as a revenue-generating tool for their companies. A counterparty is not entering into the swap as an investment tool, as the City will, but rather is acting as a principal between different sectors of the market. To facilitate the counterparty's activity, it simultaneously executes a swap or other financial product

to hedge its position. In the case of a fixed to floating rate swap, where the counterparty pays a fixed rate, it simultaneously executes a floating to fixed rate hedge product. For example, if the hedge product generates a return to the counterparty of 5.05% then the fixed swap rate is set at 5.0%. The extra 5 basis point spread is the counterparty's reward for leveraging its multi-market expertise.

Fixed to Floating Rate Swap Proposal

Under the fixed to floating rate swap agreement, the City would receive fixed payments from the swap counterparty and, in return, would make floating payments based on the BMA Municipal Swap Index[1]. This product is especially attractive in concert with the asset transfer scenario since any swap earnings could offset General Fund debt payments during the construction years.

With regard to the notional amount of the swap, we propose that the notional amount be equal to the par amount of the certificates of participation (COPs). Pursuant to the pending Resolution, the maximum par amount would be $170 million; however, the asset transfer scenario assumes a maximum amount of $148 million. The computations which follow are based on a notional amount of $148 million.

Under a swap agreement, the amounts owed by the City and the counterparty, respectively, will be calculated weekly but the transaction will settle periodically; that is, money will actually be exchanged between the parties on a monthly, quarterly, semi-annual or annual basis. The settlement amounts will vary from period to period as a result of fluctuations in the BMA index.

Based on market conditions in April 2000, a swap counterparty would pay the City a fixed rate swap payment of 4.72% and the City would pay BMA, which has averaged 3.82% since its inception in 1989. Mechanically, these payments would offset each other such that the counterparty would make a net payment to the City of $1.3 million, equaling 0.90% of the notional amount of $148 million. This $1.3 million could be used to offset debt service.

While historical rates are never reliable predictors of future rates, the chart below illustrates the potential impact of the BMA index's volatility on earnings to the City. I have also provided the Federal Funds rate as an added benchmark. The chart analyzes the average annual rate for each year of the BMA index's history and calculates the City's gain or loss based on a notional amount of $148 million and a fixed payor rate of 4.72%. The 4.72% fixed payor rate assumed rates as of April 12, 2000 and was priced at 0.76% above the BMA index for that day. Thus, a swap negotiated in 1989 would have had a fixed payor rate in excess of 6.88% making the economics to the City positive rather than negative as shown in the table. ***However, there is no guarantee that BMA rates will not rise to these or greater levels during the term of the City's swap.***

[1] The Bond Market Association (BMA) is an international trade association of banks and broker dealers in U.S. securities including municipal securities. The BMA Municipal Swap Index, conceived in 1989, is comprised of a broad list of short-term municipal securities across the nation. At any given time, it represents an average of approximately 250 separate tax-exempt variable rate demand notes (VRDNs) nationwide and is based off of Municipal Market Data's tracking of over 10,000 VRDNs. The BMA re-sets every Thursday

Year	Federal Funds Rate	BMA	BMA Swap Spread	Fixed Payment	BMA Payment	Net Payment to the City
1989	9.21%	6.12%	-1.40%	$6,985,600	$9,059,308	$(2,073,708)
1990	8.10%	5.91%	-1.19%	6,985,600	8,745,946	(1,760,346)
1991	5.69%	4.37%	0.35%	6,985,600	6,468,169	517,431
1992	3.52%	2.81%	1.91%	6,985,600	4,152,377	2,833,223
1993	3.02%	2.37%	2.35%	6,985,600	3,505,323	3,480,277
1994	4.21%	2.84%	1.88%	6,985,600	4,207,754	2,777,846
1995	5.83%	3.85%	0.87%	6,985,600	5,691,169	1,294,431
1996	5.30%	3.43%	1.29%	6,985,600	5,080,669	1,904,931
1997	5.46%	3.66%	1.06%	6,985,600	5,413,728	1,571,872
1998	5.35%	3.43%	1.29%	6,985,600	5,077,823	1,907,777
1999	4.97%	3.29%	1.43%	6,985,600	4,874,892	2,110,708
2000	5.76%	3.78%	0.94%	6,985,600	5,592,756	1,392,844
Life Ave*:	5.54%	3.82%	0.90%			$1,329,774
5-yr Ave:	5.37%	3.52%	1.20%			$1,777,626
1990s Ave:	5.15%	3.60%	1.12%			$1,663,815

**Life average is calculated from 1989 inception of BMA. Fed Funds average rate based on 1989 to date and not inception of Fed Funds.*

The term of the proposed swap would be 42 months, equaling the period of capitalized interest on the COPs. Under the asset transfer scenario, payments could be used to offset debt service amounts owed to COP holders, which are payable from the General Fund.

Risks & Mitigations

Interest Rate Volatility • An interest rate swap is a derivative instrument which, by definition, enables the counterparties to participate in differing market sectors and captures an arbitrage opportunity between these sectors. The City's swap would be based on the BMA index, while our counterparty may hedge its position in the LIBOR or taxable fixed income markets. Since the City will be the party owning the variable rate obligation, the City will have interest rate exposure for the 42-month life of the swap. In the worst case scenario, BMA rates will exceed the fixed payor rate for a significant period resulting in the City making a payment to our counterparty.

Relatively speaking, at 11 years old the BMA index is fairly young. Even so, trends in the variability (or volatility) of the BMA index have been established. BMA rates typically peak at the end of every quarter, with large rate increases occurring both at year end (67% of the time) and at the end of April (42% of the time) when income tax checks have cleared, depleting money market balances. Rates are generally at their lowest point in the first quarter when the market is flooded with cash thereby increasing the demand for short-term paper and thus reducing the interest rate.

Interest rate volatility can be mitigated through the purchase of an interest rate cap. Currently, interest rate caps are expensive and such a purchase would reduce the City's benefit dramatically beyond any realistic gain offered by a cap. However, since the proposed swap would not be

transacted for several months, we intend to monitor the market, and may purchase a cap if it ultimately proves economic.

We also intend to mitigate interest rate risk by setting an internal policy for a "spot" cushion. In simple terms, a swap agreement would not be awarded unless the winning bid provided a healthy spread between the fixed payor rate and the BMA rate as of the bid date (i.e., the spot). By setting this cushion, we can insure that the initial economics of the swap are extremely positive to the City. We further propose that the City place any earnings derived in the first year in an escrow account for the term of the swap. This money would then be available to make payments to the counterparty in the event that the BMA index exceeded the fixed payor rate. Any balance in the escrow account at the end of the swap term can be applied to reduce debt service payments of the general fund. Exhibit 1 hereto demonstrates the potential cash flow.

We are also contemplating a swap payment structure which would set our first settlement date for fiscal year 2001-02. The advantage of the long first period is that it enables the City to follow its normal budget process in the event that it has to appropriate a payment to the counterparty. The disadvantage is that the counterparty gets to keep any float earned during the long period. Since we expect to have earnings, this is a realistic disadvantage but one that is viewed as a small cost for added assurance.

Finally, with regard to mitigating interest rate risk, we intend to retain our financial advisor to monitor the interest rate swap on an ongoing basis. The financial advisor will monitor opportunities for the City to sell its position in the swap in the event that either (1) the swap has a positive value to the City and we can liquidate our position for further gain or (2) BMA rates are experiencing a sustained rise and we wish to liquidate our position to avoid losses.

Counterparty Risk • Another significant risk of the interest rate swap is that the counterparty declares bankruptcy or experiences extreme financial distress. We propose to mitigate such risk by requiring any counterparty to be a AAA-rated entity by two rating agencies. In the event that the counterparty is downgraded during the term of the swap, we will require the counterparty either (1) to transfer its position in the swap to another AAA-rated entity; or (2) to post collateral (i.e., treasury or agency securities) which would be independent of any other liens of the entity. Thus, with regard to awarding a swap contract to any counterparty, the winning counterparty would be that entity which is AAA-rated and which bids the highest fixed swap rate that meets our threshold spot cushion.

Market Background

According to the International Swap and Derivatives Association, the Interest Rate Swap market is a $53 trillion global market based on outstanding notional amounts. By contrast, the U.S. Treasury market is $3.3 trillion and the U.S. municipal bond market is approximately $1.5 trillion based on principal amount of bonds outstanding. Interest rate swaps are common tools used by taxable debt issuers around the world, including corporations, mortgage entities and agencies of the federal government. Taxable swaps are priced on the basis of the Treasury curve to the LIBOR (London InterBank Offered Rate; similar to our Federal Funds rate). Taxable swap rates, like LIBOR rates, are quoted daily on both the Telerate and Bloomberg wire services just as Treasury securities, Agency securities and a host of other markets are quoted. Fannie Mae and Freddie Mac (government-sponsored agencies who issue mortgage-backed securities) swap

most of their debt from fixed to floating rate or floating to fixed rate depending upon the assets that they are actively managing.

The municipal (i.e., "tax-exempt") swap market is a much younger and much smaller market than its taxable counterpart, consistent with the relationship between the municipal and taxable markets. However, the municipal swap market, like the taxable swap market, also follows the yield curve but prices as a fraction of LIBOR to reflect the tax-exempt discount. The tax-exempt discount is a function of the daily trading value of the BMA index yields relative to LIBOR yields. As of April 27, 2000, the spread between BMA and LIBOR was 1.30%.

Municipal entities which have executed interest rate swaps include the California Housing Finance Authority, the City of Oakland, the State of California Treasurer's Office, the County of Los Angeles, the City of Santa Clara, the Sacramento Municipal Utility District, the Southern California Metropolitan Water District and, recently, the Huntington Memorial Hospital in Southern California.

Attachment: Exhibit 1

Cc: Sheriff Hennessey
Supervisor Yee
Ed Harrington
Ben Rosenfield

City and County of San Francisco
San Bruno Jail #3 Replacement Project

Exhibit 1
5/9/00

Fixed to Floating Interest Rate Swap Alternative*
(42-Month Term)

$148,000,000 Notional Amount		**Asset Transfer Scenario**
Year 1 Debt Service**	$	4,876,606
Less Capitalized Interest Amount		(4,876,606)
Gross Amount Due from General Fund		-
Less Interest Rate Swap Amount		(832,397)
Plus/Minus Deposit, Swap Reserve		832,397
Due from General Fund	$	-
Year 2 Debt Service	$	9,753,213
Less Capitalized Interest Amount		(4,800,517)
Gross Amount Due from General Fund		4,952,695
Less Interest Rate Swap Amount		(1,426,967)
Due from (available to) General Fund	$	3,525,728
Year 3 Debt Service	$	9,753,213
Less Capitalized Interest Amount		(3,174,982)
Gross Amount Due from General Fund		6,578,231
Less Interest Rate Swap Amount		(1,426,967)
Due from (available to) General Fund	$	5,151,264
Year 4 Debt Service	$	9,753,213
Less Capitalized Interest Amount		(3,174,982)
Gross Amount Due from General Fund		6,578,231
Less Interest Rate Swap Amount		(1,426,967)
Plus/Minus Deposit, Swap Reserve		(832,397)
Due from (available to) General Fund	$	4,318,867
Total G.F. Payment w/o Swap	$	18,109,157
Savings w/Swap	$	(5,113,298)
Total General Fund Payment after Swap	$	12,995,859

**Assumes BMA index (and City payment) stay constant at historical average of 3.76%*

***All payments based on a partial fiscal year*

Item 3 - File 00-0780

Departments: Superior Court
Department of Human Resources (HRD)

Item: Ordinance establishing the titles, salary rates and other benefits for new classifications in the Superior Court, retroactively from December 31, 1998.

Source of Funds: (1) State Trial Court Agency Fund (96.5 percent)
(2) City General Fund (3.5 percent)

The subject ordinance establishes 55 new classifications, covering 537.5 positions. The City would fund 16.5 of these positions, and the State Trial Court Agency Fund will fund the remaining 521 positions. Even though the majority of increased costs would be assumed by the State, the proposed ordinance establishes new classifications and sets the schedule of compensation for such classifications.

Description: Effective December 31, 1998, the former Municipal and Superior Courts were consolidated into one Court to be known as the Superior Court of California, County of San Francisco. Prior to this consolidation, each of the former courts maintained its own classifications. As a result of consolidation, a new classification series was needed to reflect the work being performed in the new Superior Court. To fill this need, the Superior Court conducted a comprehensive classification and pay study to establish an appropriate classification plan for its employees. The proposed ordinance establishes the new titles, rates of pay and other benefits for all but four classifications (28 positions) to be used in the consolidated Superior Court. When the new classifications are formally established, there will be bargaining unit and labor representation implications. (See Attachment I, provided by the Superior Court, for a more detailed explanation).

The Superior Court currently has a total of 565.5 authorized positions, of which 18.5 are fully funded by the City. The subject ordinance establishes 55 new classifications, covering 537.5 of the Superior Court's total existing 565.5 positions. The City will fund 16.5 of the

positions covered by the new classifications, as noted in Attachment II, provided by the Superior Court. The remaining 28 (including 2 City funded) Superior Court positions (565.5 existing positions less 537.5 covered positions) will remain in their current classifications, unchanged for the present time.

Several of the classifications listed on Attachment II will not change in scope, duties or salary. Only their classification codes will change to make them more consistent with the new set of classifications. The positions belonging to bench officers of Superior Court Judge, Court Commissioner, Bail Commissioner, and Pro Tem Commissioner appear on this ordinance only for the purposes of changing the classification code and to ensure that the benefits of incumbents continue without change. Ms. Cheryl Martin of the Superior Court advises that under the State Constitutional Amendment that permitted court consolidation, court employees were guaranteed that they would not lose any salary or benefits as a result of consolidation. In addition, according to Ms. Martin, as jobs are being merged it is essential that the newly consolidated Superior Court provide equal pay for equal work performed. Therefore, Ms. Martin advises that increased costs will be incurred in order to equalize salaries between classes in the Superior Court.

Costs to City:

According to Ms. Martin, the increased cost of the proposed ordinance to the City's General Fund would be a total of $110,257 for the period from December 31, 1998 through June 30, 2001 (See Comment No. 1). The total incremental cost for the General Fund and State Trial Court Agency Fund for the period from December 31, 1998 through June 30, 2001 would be $3,176,604, as shown in the table below.

Fiscal Year	Cost to State	Cost to City	Total Cost
FY 1999-2000*			
Salaries	$1,012,236	$36,740	$1,048,976
Benefits (15%)	151,835	5,511	157,346
Subtotal	$1,164,071	$42,251	$1,206,322
FY 2000-2001			
Salaries	$1,654,153	$59,135	$1,713,288
Benefits (15%)	248,123	8,871	256,994
Subtotal	$1,902,276	$68,006	$1,970,282
Total	**$3,066,347**	**$110,257**	**$3,176,604**

* According to Ms. Martin, the amount of $42,251 in increased costs to the City for Fiscal Year 1999-2000 will be almost entirely comprised of one-time bonus amounts, as the Superior Court anticipates appointments to the new classes occurring during the last two pay periods of the Fiscal Year (See Comment No. 1). Ms. Martin advises that the Superior Court anticipated and budgeted for these increased costs and that the Superior Court's Fiscal Year 1999-2000 budget contains sufficient funds to cover these lump-sum payments.

Comments:

1. According to Ms. Martin, the classification analysis to create these new classifications required a great deal of time and effort in order to study the work performed in the new Superior Court and to develop the appropriate classifications and salary rates. Ms. Martin advises that many Superior Court employees have been performing additional responsibilities at various times since the December 31, 1998 consolidation date. Therefore, in addition to negotiating the new rates of pay for the new classes, various labor organizations negotiated and obtained a bonus for employees to compensate them for the period of time between consolidation and the implementation of the new classes. The beginning date for this time period will vary, based upon classification and union representation. As previously stated, Ms. Martin advises these amounts will be paid as a one-time lump sum payment. Ms. Martin advises that the Superior Court has funding in its Fiscal Year 1999-2000 budget to cover these lump sum payments.

2. As stated in Comment No. 1 above, the subject ordinance would authorize the Superior Court to reimburse certain employees for services provided since December 31, 1998. As such, the subject ordinance should be amended to provide for retroactive authorization.

3. As of the writing of this report, the Controller's Office had not provided cost estimates for the subject ordinance.

4. California Government Code Section 69900 requires that the salary rates for Superior Court employees be set by joint action of the Judges of the Superior Court and the Board of Supervisors. According to Ms. Martin, the Judges approved the proposed classifications and compensation scheme on April 20, 2000.

5. Based on tables provided by the Superior Court, the proposed ordinance establishing new classifications will result in annual salary adjustments ranging from zero to an increase of $27,271 annually. For example, the current Classification 297 Deputy Clerk earning $51,197 annually would adjust to become a Classification 0385 Court Computer Facilities Coordinator, earning $78,468 annually, an increase of 53 percent.

6. Item 4, File 00-0781, and Item 5, File 00-0782, of this report to the Finance and Labor Committee also pertain to compensation for employees of the Superior Court.

Recommendations:

1. Amend the proposed ordinance to provide for retroactive authorization, in accordance with Comment No. 2 above.

2. Approval of the proposed ordinance, as amended, is a policy matter for the Board of Supervisors.

Item 4 - File 00-0781

Departments: Superior Court
Department of Human Resources (HRD)

Item: Ordinance implementing the provisions of the Memorandum of Understanding (MOU) between the Superior Court and the International Federation of Professional and Technical Engineers, Local 21.

MOU period: July 1, 1999 through June 30, 2002 (Three years)
(See Comment No. 1)

Source of Funds: (1) State Trial Court Agency Fund (92.6 percent)
(2) City General Fund (7.4 percent)

Description: The proposed ordinance would implement the provisions of a Memorandum of Understanding (MOU) between the Superior Court and the International Federation of Professional and Technical Engineers, Local 21 (Local 21) for a 3-year period, from July 1, 1999 through June 30, 2002.

The subject MOU is for the following 7 classifications, covering a total of 38 positions:

Class Code	Classification Title	State Funded	City Funded	Total
0174	Attorney, Civil/Criminal	5		5
0648	Court Investigator	5		5
0649	Probate Examiner	3		3
0655	Counselor, FCS	6	1	7
0676	Legal Research Assistant	11	2	13
0819	MIS Specialist III	4		4
0821	Computer Coordinator	1		1
	TOTAL	35	3	38

As shown in the table above, only one position in Classification 0655, Counselor FCS, and two positions in Classification 0676, Legal Research Assistant, are funded from the City's General Fund.

The major fiscal provisions of the MOU implemented by the proposed ordinance apply to all employee classifications covered by the MOU, as listed in the above table. These fiscal provisions are summarized as follows:

Wage Increases

Employees in all of the above noted classifications would receive a 3.5 percent salary increase retroactive to July 1, 1999, and an additional 3.75 percent salary increase effective July 1, 2000. No salary increase is included in the MOU for Fiscal Year 2001-2002. The MOU contains a re-opener clause for a potential increase of an unknown amount for the third year of the MOU, effective July 1, 2001. This salary increase would be subject to separate legislative approval by the Board of Supervisors.

Health Care Benefits

The MOU continues health care coverage as before, through the City's Health Service System with full coverage for the employee. According to Ms. Cheryl Martin of the Superior Court, under the proposed MOU, dependent health care payments by the Superior Court would change from a flat rate of $225 per month to a rate equal to 75 percent of the amount paid for an employee with 2 or more dependents who chooses Kaiser medical coverage. Ms. Martin advises that this change is similar to other City health policies and will pose minimal cost to the City. In lieu of this subsidy, staff attorneys covered by the MOU may receive a cash payment of a slightly lesser amount. Under the proposed MOU, Long Term Disability Insurance would be extended to all employees covered by the MOU.

Retirement Benefits

The Superior Court will continue to fund the employee's contribution to the City's Employee Retirement System (SFERS) in the following percentages:

- 8 percent of salary for SFERS Tier I members (employees hired prior to November 1976)

- 7.5 percent of salary for SFERS Tier II members (employees hired after November 1976)

According to Ms. Martin, these rates for retirement benefits are a continuation from the prior ordinances and are only affected by the increased salary rates included in the MOU.

Cost to the City of MOU:

As shown in the Attachment, the Controller estimates that the proposed MOU with Local 21 will result in estimated incremental costs of $117,697 in Fiscal Year 1999-2000 and $131,365 in Fiscal Year 2000-2001, for a total of $249,062. The Controller's Office advises that, of these incremental costs, approximately $9,600 would be General Fund costs in Fiscal Year 1999-2000 and approximately $10,600 would be General Fund costs for Fiscal Year 2000-2001, for an estimated total incremental cost to the City of $20,200.

As previously stated, the subject MOU contains a re-opener clause for a potential increase of an unknown amount for FY 2001-2002. This salary increase would be subject to separate legislative approval by the Board of Supervisors.

Comments:

1. The subject MOU would be effective retroactively to July 1, 1999. Therefore, the proposed ordinance should be amended to provide for retroactive authorization.

2. According to Ms. Martin, the salary increases for Fiscal Year 1999-2000 would be paid in a lump sum payment to employees upon approval of the subject ordinance. Ms. Martin advises that the Superior Court has sufficient funds in its Fiscal Year 1999-2000 budget to cover these payments.

3. California Government Code Section 69900 requires that the salary rates for Superior Court employees be set by joint action of the Judges of the Superior Court and the Board of Supervisors. According to Ms. Martin, the Superior Court and Local 21 came to an agreement on the MOU in early April of 2000, and the Judges of the Superior Court ratified the agreement on April 20, 2000.

4. Item 3, File 00-0780, and Item 5, File 00-0782, of this report to the Finance and Labor Committee also pertain to compensation for employees of the Superior Court.

Recommendations:

1. Amend the proposed ordinance to provide for retroactive authorization, in accordance with Comment No. 1 above.

2. Approval of the proposed ordinance, as amended, is a policy matter for the Board of Supervisors.

CITY AND COUNTY OF SAN FRANCISCO

OFFICE OF THE CONTROLL

Edward Harrin
Contr

Matthew H. Hy
Chief Assistant Contr

May 11, 2000

Ms. Gloria L. Young, Clerk of the Board
Board of Supervisors
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

RE: Memorandum of Understanding between Local 21 and the Trial Courts
File No. 00-0781

Dear Ms. Young,

In accordance with Ordinance 92-94, I am submitting a cost analysis of an amendment to the Memorandum of Understanding (MOU) between Local 21 and the Trial Courts. The MOU covers the period July 1, 1999 through June 30, 2002, and affects approximately 41 employees with a salary base of approximately $2.76 million.

Based on our analysis, the amendment will result in estimated incremental costs of approximately $118,000 in FY 1999-2000, and $131,000 in FY 2000-2001. Including wage-related fringe benefits, the amendment will result in a cost increase above the base salary amount of approximately 4.25% in FY 1999-2000 and 4.59% in FY 2000-2001. Please see Attachment A for specific cost estimates.

The cost of salaries and benefits for the majority of the employees covered under this memorandum of understanding are budgeted through the Trial Courts Agency Fund and paid for by the State of California. However, this memorandum also covers two employees who are budgeted through the City's General Fund. The General Fund incremental cost for these two employees is approximately $9,600 for FY 1999-2000 and $10,600 for 2000-2001. Sufficient funds for these cost increases have already been appropriated for FY 1999-2000.

Please note that the proposed amendment includes a wage re-opener provision for FY 2001-2002, therefore the full cost of this MOU cannot be estimated at this time. If you have any additional questions or concerns please contact me at 554-7500 or Peg Stevenson of my staff at 554-7522.

Sincerely,

Edward M. Harrington
Controller

cc: Alice Villagomez, ERD
Harvey Rose, Budget Analyst

Attachment A
Trial Court Local 21
Estimated Costs 1999-2000 to 2001-2002
Controller's Office

Annual Incremental Costs/(Savings)	FY 1999-2000	FY 2000-2001
Wage Increase		
3.5% on July 1, 1999	$96,848	
3.75% on July 1, 2000		$107,397
Dependent Health @ 75% of Kaiser coverage	6,012	7,515
Wage-Related Fringe Increases	14,837	16,453
Total Estimated Incremental Costs	117,697	131,365
Annual Amount Above 1998-99 Level	117,697	249,062
Cumulative Total Above 1998-99 Provisions		$366,759
Incremental Cost % of Salary Base	4.25%	4.59%

Memo to Finance and Labor Committee
May 17, 2000 Finance and Labor Committee Meeting

Item 5 - File 00-0782

Departments: Superior Court
Department of Human Resources (HRD)

Item: Ordinance implementing schedules of compensation and the continuation of health and retirement benefits for certain professional classifications in the Superior Court.

Time Period: July 1, 1999 through June 30, 2001 (Two Years)
(See Comment No. 1)

Source of Funds: (1) State Trial Court Agency Fund (94.4 percent)
(2) City General Fund (5.6 percent)

Description: The proposed ordinance would implement salary increases and the continuation of health and retirement benefits for the period from July 1, 1999 through June 30, 2001 for professional classifications in the Superior Court that are not represented by a union. The subject ordinance is for the following 12 classifications, covering a total of 19 positions:

Class Code	Classification Title	State Funded	City Local	Total
0175	Senior Criminal Research Attorney	1		1
243	Court Traffic System Programmer	2		2
244	Court Traffic Senior Application Programmer	1		1
246	Court Application Programmer	1		1
248	Court Technical Programmer/Writer	2		2
260	Legal Advisor	3		3
273	Assist. System Coordinator	1		1
278	Assist. Court Program Analyst Mngr	1		1
360	Deputy Clerk (Research Attorney)	3		3
0366	Dependency Mediation Assistant	0	1	1
0811	MIS Specialist I	2		2
0818	MIS Specialist II	1		1
	TOTAL	18	1	19

As shown in the table above, one position in Classification 0366, Dependency Mediation Assistant, is funded from the City's General Fund.

The major fiscal provisions of the proposed ordinance apply to all employee classifications listed above. These fiscal provisions are summarized as follows:

Wage Increases

Employees in all of the above noted classifications would receive a 3.5 percent salary increase retroactive to July 1, 1999 and an additional 3.75 percent wage increase effective July 1, 2000.

Health Care Benefits

The subject MOU continues health care coverage as before, through the City's Health Service System with full coverage for the employee. According to Ms. Cheryl Martin of the Superior Court, under the proposed ordinance, dependent health care payments by the Superior Court would change from a flat rate of $225 per month to a rate equal to 75 percent of the amount paid for an employee with 2 or more dependents who chooses Kaiser medical coverage. Ms. Martin advises that this change is similar to other City health policies and will pose minimal cost to the City. In lieu of this subsidy, staff attorneys covered by this ordinance may receive a cash payment of a slightly lesser amount. Under the proposed ordinance, Long Term Disability Insurance would be extended to all employees covered by this ordinance.

Retirement Benefits

The Superior Court will continue to fund the employee's contribution to the City's Employee Retirement System (SFERS) in the following percentages:

- 8 percent of salary for SFERS Tier I members (employees hired prior to November 1976; and
- 7.5 percent of salary for SFERS Tier II members (employees hired after November 1976).

According to Ms. Martin, these rates for retirement benefits are a continuation from the prior ordinances and are only affected by the increased salary rates included in this ordinance.

Cost to City:

As shown in the Attachment, the Controller estimates that the proposed ordinance will result in estimated incremental costs of $52,415 in Fiscal Year 1999-2000 and $58,506 in Fiscal Year 2000-2001, for a total of $110,921. The Controller's Office advises that, of these incremental costs, approximately $1,739 would be General Fund costs in Fiscal Year 1999-2000 and approximately $1,928 would be General Fund costs for Fiscal Year 2000-2001, for an estimated total incremental cost to the City of $3,667.

Comments:

1. The subject ordinance would be effective retroactively to July 1, 1999. Therefore, the proposed ordinance should be amended to provide for retroactive authorization. According to Ms. Martin, the Superior Court waited to submit the subject ordinance to the Board of Supervisors until the Superior Court reached an agreement with the International Federation of Professional and Technical Engineers, Local 21, in early April of 2000 (Item 4, File 00-0781, of this report to the Finance and Labor Committee). Ms. Martin advises that the Judges of the Superior Court ratified this MOU on April 20, 2000.

2. According to Ms. Martin, the salary increases for Fiscal Year 1999-2000 would be paid in a lump sum payment to employees upon approval of the subject ordinance. Ms. Martin advises that the Superior Court has sufficient funds in its Fiscal Year 1999-2000 budget to cover these payments.

3. California Government Code Section 69900 requires that the salary rates for Superior Court employees be set by joint action of the Judges of the Superior Court and the Board of Supervisors. According to Ms. Martin, the Judges approved the subject salary increases and benefits on April 20, 2000.

4. Item 3, File 00-0780, and Item 4, File 00-0781, of this report to the Finance and Labor Committee also pertain to compensation for employees of the Superior Court.

Recommendations:

1. Amend the proposed ordinance to provide for retroactive authorization, in accordance with Comment No. 1 above.

2. Approval of the proposed ordinance, as amended, is a policy matter for the Board of Supervisors.

CITY AND COUNTY OF SAN FRANCISCO OFFICE OF THE CONTROLL

Edward Harring
Contro

Matthew H. Hy
Chief Assistant Contro

May 11, 2000

Ms. Gloria L. Young, Clerk of the Board
Board of Supervisors
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

RE: Memorandum of Understanding between Unrepresented Employees and the Trial Courts
File No. 00-0782

Dear Ms. Young,

In accordance with Ordinance 92-94, I am submitting a cost analysis of an amendment to the Memorandum of Understanding (MOU) between Unrepresented Employees and the Trial Courts. The MOU covers the period July 1, 1999 through June 30, 2001, and affects approximately 18.75 employees with a salary base of approximately $1.32 million.

Based on our analysis, the amendment will result in estimated incremental costs of approximately $52,400 in FY 1999-2000, and $58,500 in FY 2000-2001. Including wage-related fringe benefits, the amendment will result in a cost increase above the base salary amount of approximately 4.26% in FY 1999-2000 and 4.59% in FY 2000-2001. Please see Attachment A for specific cost estimates.

The cost of salaries and benefits for the majority of the employees covered under this memorandum of understanding are budgeted through the Trial Courts Agency Fund and paid for by the State of California. However, this memorandum also covers one employee who is budgeted through the City's General Fund. The General Fund incremental cost is approximately $1,739 for FY 1999-2000 and $1,928 for 2000-2001. Sufficient funds for these cost increases have already been appropriated for FY 1999-2000.

If you have any additional questions or concerns please contact me at 554-7500 or Peg Stevenson of my staff at 554-7522.

Sincerely,

Peg Stevenson

Edward M. Harrington
Controller

cc: Alice Villagomez, ERD
Harvey Rose, Budget Analyst

Attachment A
Trial Court Unrepresented Employees
Estimated Costs 1999-2000 to 2000-2001
Controller's Office

Annual Incremental Costs/(Savings)	FY 1999-2000	FY 2000-2001
Wage Increase		
3.5% on July 1, 1999	$43,111	
3.75% on July 1, 2000		$47,807
Dependent Health @ 75% of Kaiser coverage	2,700	3,375
Wage-Related Fringe Increases	6,605	7,324
Total Estimated Incremental Costs	52,415	58,506
Annual Amount Above 1998-99 Level	52,415	110,921
Cumulative Total Above 1998-99 Provisions		$163,337
Incremental Cost % of Salary Base	4.26%	4.59%

Item 6 - File 00-0794

Department: Human Services (DHS)

Item: Ordinance amending Article XV, Part I of the San Francisco Municipal Code (Administrative Code), which establishes cash revolving accounts for the City and County of San Francisco departments, by amending section 10.157 to increase the total amount in the existing Department of Human Services cash revolving account; and by deleting sections 10.157-1 and 10.157-2 to consolidate the Aid to Families with Dependent Children (AFDC) and General Assistance (GA) cash revolving accounts into one Department of Human Services cash revolving account.

Description: As requested by the Department of Human Services, the proposed ordinance would amend Section 10.157 to integrate three separate revolving accounts, as set out by Sections 10.157, 10.157-1, and 10.157-2, into a single revolving account. DHS would maintain separate bank accounts within the single revolving account, which would be authorized by the proposed amended Section 10.157. Additionally, the proposed amendment would increase the total amount of funds available in the revolving account, from $270,000 (which is currently the combined total for the three separate revolving accounts described above) to $450,000, an increase of $180,000 or 67 percent. In addition, sub-accounts would be created in place of the Department of Human Services cash revolving account, cash revolving accounts for AFDC and GA, and a forth sub-account for Child Support Services (CSA). The $180,000 in additional funds would be placed in the proposed new CSA sub-account, bringing the number of sub-accounts to be operated by DHS under the proposed consolidated cash revolving account to four.

Currently, DHS operates three separate cash revolving accounts: 1) a $20,000 account for the DHS "Cashier's Revolving Fund", which they use to disburse checks for employee reimbursements and for ancillary services to clients (books, clothes, etc.) (Section 10.157), 2) a $50,000 cash revolving account for CALWorks (the "AFDC account"), which DHS uses to disburse emergency funds to CALWorks welfare recipients (Section 10.157-1), and 3) a

$200,000 cash revolving account for the General Assistance program which DHS uses to disburse emergency funds for General Assistance recipients (Section 10.157-2). The proposed amendment would, instead of creating a fourth cash revolving account for DHS's San Francisco CSA pilot program (see below), consolidate each of the accounts above into a single revolving account under Section 10.157. DHS would maintain four sub-accounts within the cash revolving account.

According to Ms. Julie Brenman of DHS, DHS has requested an increase of $180,000 in their cash revolving account balance in order to create a fourth sub-account within the proposed new revolving account, for Child Support Assurance (CSA), a pilot program that has the aim of being an alternative to, and exit from, traditional welfare programs for welfare recipients with children. The amount of $180,000 is based on anticipated expenditures from the proposed CSA account, and is set at $180,000 in order to minimize the frequency of requests with which DHS would have to ask the Controller for periodic replenishment of that account. The Board of Supervisors approved an agreement between DHS and the California Department of Social Services for a CSA three-year demonstration program on November 15, 1999 (File No. 99-2036). The proposed increase in the cash revolving account balance would create a separate sub-account within the proposed DHS revolving account for timely disbursement of benefit payments to single working parents with children.

Comments:

1. According to Ms. Brenman, DHS uses a database that is shared among 18 counties in California for case tracking and management of its CALWorks and General Assistance programs. Because this database is shared, altering it to fit the particular needs of the San Francisco CSA pilot program is not possible. Unique technical requirements for the timely disbursement of funds under the CSA pilot program necessitates an independent database with an independent revolving account. DHS currently operates the General Assistance program and the AFDC program in the same manner.

2. According to Ms. Brenman, Mr. Harold Guttersloh of the Controller's Office advised that a) DHS establish a

revolving account for CSA, and that b) the three current revolving accounts be consolidated into a single revolving account with multiple sub-accounts. According to Ms. Brenman, other departments within the City, including the Municipal Railway, the San Francisco International Airport, and the Public Utilities Commission, currently operate single revolving accounts with multiple sub-accounts.

Recommendation: Approve the proposed ordinance.

Item 7 – File 00-0839

Department: Public Utilities Commission (PUC)
Water Department

Item: Ordinance approving the revised schedule of rates to be charged by the Public Utilities Commission for wholesale water service to its Suburban Resale Customers for Fiscal Year 2000-2001.

Description: The PUC establishes two separate water rate schedules. One schedule is for the Water Department's retail customers, and the other schedule is for the Water Department's "Suburban Resale Customers". Suburban Resale Customers are, collectively, 29 water agencies, primarily within the Counties of San Mateo, Santa Clara, and Alameda, which purchase water at wholesale rates from the San Francisco Water Department under a long term contract for resale to their customers.

Water rate schedules for retail customers were last amended by the PUC effective July 1, 1996, when retail rates to the water users in San Francisco and outside the City were increased by 7.6 percent. Suburban Resale Customer water rate schedules were last amended effective July 1, 1999, when such rates were increased by 34.7 percent in accordance with the terms of a 1984 settlement agreement described below.

The Board of Supervisors can only approve or disapprove water rate schedules submitted by the Public Utilities Commission. The proposed water rate schedules cannot be amended by the Board of Supervisors. Under Charter Section 2.109, the Board of Supervisors may approve, or reject, any rate, fee or similar charge to be imposed by any department, board, or commission.

Proposition H, approved by the voters on June 2, 1998, mandates that Water rates and Sewer Service Charge rates are to remain at their current levels until July 1, 2006, subject to the following exceptions:

- With the concurrence of the Board of Supervisors and the Mayor, the rate freeze would not apply to the fees charged to customers located outside of San Francisco.

- The rate freeze could be suspended if the City declared an emergency, as defined by the Charter.
- The fees could be increased to repay the money borrowed by the City for improvements to the water system approved by the voters in November 1997. These fee increases could not exceed a total of 18 percent.
- The fees could be increased to repay money borrowed for further improvements to the water and sewer systems approved by the voters in the future.

The PUC is proposing no change to its current water rates for its retail customers. However, the PUC is proposing an approximate 4.4 percent increase in rates charged to its Suburban Resale Customers. This increase is consistent with the terms of a 1984 settlement agreement between the Suburban Resale Customers and the City, and a related master water sales contract, which was approved by the Board of Supervisors and resolved litigation which had been pending since 1974.

The settlement agreement established the method by which suburban resale rates are calculated each year. Under that agreement, cost accounting and rate setting are divided and based on the costs of providing water services to retail customers, as distinct from the Suburban Resale Customers, which purchase water from the San Francisco Water Department at wholesale rates. The City sets the wholesale water rates to recover all costs associated with providing water to the Suburban Resale Customers, plus a rate of return on all debt funded assets and future revenue funded assets.

The difference between suburban resale water revenues, and the cost computations made in accordance with the settlement agreement requirements, are credited to a "balancing account" which must be factored in to the rate calculation for the following year. If the projected balancing account value and projected revenue from Suburban Resale Customers exceeds or falls short of (a) projected annual costs, plus (b) a return on assets, for the Suburban Resale Customers by an amount greater than 2 percent of the sum of projected annual costs and a return on assets, adjustments to the Suburban Resale Customer

rate schedules are mandated by the 1984 settlement agreement.

The projected July 1, 2000 balancing account value is estimated to be a negative $3,142,000 and the projected June 30, 2001 balancing account value is estimated to be a negative $3,140,000 based on existing Suburban Resale Customer rates. The PUC has therefore recommended an increase of approximately 4.4 percent in suburban resale rates based on the requirements of the settlement agreement, in order to eliminate the projected negative balance in the balancing account of $3,139,870 as of June 30, 2001. This rate increase of approximately 4.4 percent would increase projected FY 2000-2001 suburban resale water service revenues by $3,140,000 from $71,429,000 to $74,569,000.

The table below displays the Water Department's projected Revenues and Expenditures for FY 2000-2001.

FY 2000-2001 WATER DEPARTMENT PROJECTED REVENUES AND EXPENDITURES

Beginning Operating Fund Balance		$31,295,000
Projected Revenues		
Retail Water Sales	$66,492,000	
Suburban Resale Water Sales	74,569,000	
Other Revenues	14,715,000	
Total Revenues		155,776,000
Total Sources		187,071,000
Projected Expenditures (Subject to appropriation approval in the Water Department's FY 2000-2001 budget)		158,183,000
Ending Operating Fund Balance		$28,888,000

Comments:

1. As previously noted, the PUC has proposed no water rate increases for retail customers of the Water Department. Based on the Water Department's projected revenues and expenditures, as can be seen from the table

above, the Water Department's current unappropriated surplus will decrease by $2,407,000 ($31,295,000 Beginning Balance less $28,888,000 Ending Balance). Without the proposed increase of 4.4 percent for Suburban Resale Customers, the Ending Balance would decrease by an additional $3,140,000, from the projected $28,888,000 to $25,748,000.

2. In accordance with the revenue requirements for Water Revenue Bonds, net revenues in each Fiscal Year must be equal to at least 1.25 times more than the outstanding revenue bond annual debt service due in that fiscal year (commonly known as the required debt service coverage ratio). Based on the PUC's recommended rate increase of zero percent for retail customers and 4.4 percent for Suburban Resale Customers, the projected debt service coverage for FY 2000-2001 is 3.10 which exceeds the required debt service coverage ratio of 1.25. Without the proposed 4.4 percent increase, the debt service coverage ratio would be 2.96.

Recommendation: Approve the proposed ordinance.

Memo to Finance and Labor Committee
May 17, 2000 Finance and Labor Committee Meeting

Items 8 and 9 - Files 00-0844 and 00-0843

Departments:	Department of Public Works (DPW) City Architect
Items:	File 00-0844: Ordinance appropriating $12,000,000 in Federal Hazard Mitigation Grant Funds to the City Hall Project, transferring funds to the General Fund and appropriating $12,000,000 for City Seismic Safety Projects. File 00-0843: Ordinance appropriating $10,791,665, including $7,243,940 from Earthquake Safety Bond Project balances and interest earnings and $3,547,725 from City Hall Bond interest earnings, to capital improvements for the City Hall Project.
Amount:	$ 10,791,665 (File 00-0843) 12.000.000 (File 00-0844) $ 22,791,665 Total
Source of Funds:	$ 3,547,725 - 1995 City Hall Proposition A Bond Fund Interest 3,388,927 - 1990 Earthquake Safety Program Phase 2 (ESP2) Bond Fund Interest 3.855.013 – Reappropriation of ESP2 Bond Funds $10,791,665 – Total for File 00-0843 $12,000,000 - Federal Emergency Management Agency (FEMA) Hazard Mitigation Grant (File 00-0844)
Description:	Of the total $22,791,665 in the two proposed supplemental appropriation ordinances, (1) $10,791,665 would be applied to funds needed to reimburse the General Contractor and subcontractors for the completed seismic repairs and renovation of City Hall, and (2) $12,000,000 would be appropriated to the City Hall Project and then returned to the City's General Fund to be used for other seismic safety projects in the City.
Comments:	1. In April of 1998, a supplemental appropriation request of $22,477,779 of General Fund monies (File 98-633) was approved by the Board of

Supervisors to complete the construction of the City Hall seismic retrofit and building improvement project. As shown in Attachment 1, including the last $22,477,779 General Fund supplemental appropriation, the City has approved total appropriations of $293,869,668 for the reconstruction of City Hall. If the proposed supplemental appropriation of $10,791,665 is approved, the total costs for the City Hall seismic, relocation and improvement project will total $304,661,333, excluding furniture, fixtures and equipment. Of the $304,661,333 total cost, $22,574,779 (the $22,477,779 supplemental plus $97,000 in previous funding) of these funds, or 7.4 percent, were from the City's General Fund.

2. Mr. George Wong of the City Attorney's Office reports that the first proposed supplemental appropriation (File 00-0843) is intended to pay additional compensation for additional work that the General Contractor, Huber, Hunt and Nichols, Inc., and subcontractors claim to have performed. Mr. Wong advises that a detailed budget is not available for the $10,791,665 because the proposed supplemental appropriation represents an aggregate sum of the negotiated requests for additional compensation made by the General Contractor and various subcontractors on the City Hall Project in order to settle their claim. Mr. Wong advises that the specific details will be discussed by the City Architect with the Board of Supervisors in closed session at the May 17, 2000 Finance and Labor Committee Meeting.

3. According to Mr. Tony Irons, the City Architect and Project Manager for the City Hall Project, most of the costs included in the proposed supplemental appropriation, as well as the $6,936,652 in interest earnings on the bonds used to pay for these costs, occurred after the last supplemental appropriation was approved by the Board of Supervisors in April of 1998. Mr. Irons reports that the additional work and expenditures resulted from change orders that occurred during the final construction phases of City Hall, and although Mr. Irons realized that

there would be additional costs to complete City Hall, Mr. Irons reports that he did not notify the Board of Supervisors regarding the need for such additional funds because he did not know the full extent of such additional costs. City Hall was completed and opened in January of 1999. Mr. Irons advises that this supplemental appropriation request is being submitted now, over 16 months after the opening of City Hall, because all of the claims have now been submitted and have been negotiated to a justifiable amount and the City has now received notification regarding the FEMA grant monies.

4. Ms. Tina Olson of DPW reports that the source of funds for the proposed $10,791,665 supplemental appropriation includes $3,547,725 of interest earnings from the 1995 City Hall Proposition A, General Obligation Bonds of $63.59 million for building improvements to City Hall. To date, these 1995 General Obligation Bonds have earned $8,440,427 in interest, of which $4,892,702 has already been appropriated to the City Hall Project. The proposed supplemental ordinance would appropriate the remaining $3,547,725 of interest earnings from these Bonds.

In addition to the $3,547,725 in City Hall Proposition A Bond Fund Interest, the proposed supplemental would appropriate $3,388,927 of interest earnings from the 1990 Earthquake Safety Program Bond, Phase 2 (ESP2), which initially authorized $332.4 million in General Obligation Bonds for repair and upgrades for earthquake damaged buildings throughout the City. To date, a total of $85,288,458 of bond proceeds and $12,000,000 of interest earnings have been allocated from the ESP2 Bonds for the City Hall Project. Ms. Olson advises that there is a current balance of $6,633,603 of interest earnings in the ESP2 account, such that if the proposed supplemental appropriation of $3,388,927 of interest earnings is approved, a remaining interest earnings balance of $3,244,676 will result. Ms. Olson advises that the remaining interest earnings

are programmed for use on the San Francisco General Hospital seismic strengthening project.

Ms. Olson further advises that a total of $3,855,013 would be appropriated from the remaining project funds available from the ESP2 Bond proceeds. According to Ms. Olson, although there are three projects (i.e., (1) San Francisco General Hospital, (2) the Opera House and (3) St. Mary's Garage) that still need to be completed with these ESP2 Bond proceeds, this appropriation of $3,855,013 for City Hall will deplete all remaining unallocated funds in this ESP2 Bond proceeds account.

5. Mr. Irons reports that the City applied for $48 million from FEMA's Hazard Mitigation Grant Program, through the State Office of Emergency Services (OES), on January 8, 1998 for additional reimbursement of earthquake damage repairs, accessibility improvements, hazardous material abatement, historic preservation, electrical, telecommunications and other code compliance improvement funds for the City Hall Project. Mr. Irons advises that during the Fall of 1999, FEMA, through OES, notified the City of a total grant award of $12 million for qualifying historic preservation funds related to the seismic renovation of City Hall. Under the proposed supplemental appropriation, $12 million of such FEMA grant funds would be appropriated to the City Hall Project and then reappropriated to the City's General Fund for specific use for other, as yet undesignated, seismic retrofit projects in the City.

6. According to Mr. Ben Rosenfield of the Mayor's Office, $12 million is being proposed to be set aside in the General Fund for specific use for other seismic retrofit projects because (1) of the unmet need to seismically retrofit buildings in the City, and (2) the $12 million grant fund represents one-time monies that should be allocated for one-time projects. Although Mr. Rosenfield could not identify the specific projects that would be completed with the subject $12 million, or provide detailed budgets for such seismic retrofit projects, Mr. Rosenfield

provided Attachment 2, which identifies 11 projects which have a high priority need for seismic retrofit, with a total estimated project cost of $66,271,535. Mr. Rosenfield advises that the Capital Improvements Advisory Committee (CIAC) would need to review the use of the $12 million for capital projects in greater detail, before any decisions are made to proceed with a specific project. Therefore, the Budget Analyst recommends that this $12 million of funds be reserved, pending identification of the specific projects to be funded, review by the CIAC, and detailed budgetary data for the expenditure of such funds.

7. Mr. Irons advises that, if the proposed supplemental appropriations are approved, "the City can close the books on the City Hall Project" and there will be no further expenditures required for the completion of the City Hall Project.

Recommendations:

1. Approval of the proposed ordinance (Item 8, File 00-0844) to reappropriate $12,000,000 to (a) the City's General Fund Reserve or to (b) undesignated seismic projects in the City's General Fund is a policy matter for the Board of Supervisors. If approved for undesignated seismic projects in the City's General Fund, amend the proposed ordinance to place the entire $12,000,000 on reserve pending identification of the specific projects, review by the CIAC, and detailed budgetary data for the expenditure of such funds.

2. Because expenditure details will be provided to the Finance and Labor Committee in closed session, requesting expenditure approval of $10,791,665, Item 9, File 00-0843, is a policy matter for the Board of Supervisors.

Summary of Sources and Expenditures/Encumbrances
City Hall Project

Sources:	
FEMA	$105,509,825
ESP2 Bonds	97,288,458
Prop A Bonds	68,496,606
General Fund Old Appropriation	97,000
General Fund (1998 Supplemental)	22,477,779
Total Sources to Date (May 10, 2000)	$293,869,668
This Supplemental Request:	
ESP2 Bonds	7,243,939
Prop A Bonds	3,547,725
FEMA Grant	12,000,000
Subtotal this Supplemental Request	$22,791,664
Return to General Fund	($12,000,000)
Grand Total Sources	$304,661,332
Total Expenditures/Encumbrances thru May 10, 2000:	
ESP2 - Seismic Upgrade Project	167,093,378
ESP2 - City Hall Relocation Costs	35,801,905
Propo A - City Hall Improvement Project	90,974,385
Total Expenditures	$293,869,668
This Supplemental Request:	
ESP2 - Seismic Upgrade Project	19,243,939
Propo A - City Hall Improvement Project	3,547,725
Subtotal this Supplemental Request	$22,791,664
Return to General Fund	($12,000,000)
Grand Total Expenditures/Encumbrances	$304,661,332

City and County of San Francisco

Willie Lewis Brown, Jr., Mayor
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Department of Public Works
Finance and Budget Division
Financial Management and Administration
City Hall, Room 348
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4645

Memorandum

May 9, 2000

To: Ben Rosenfield

From: Douglas Legg

Re: Seismic Capital Projects

DPW has done preliminary programming for a number of seismic projects in the City which could be substantially funded should as much as $12 million be available. Detailed project descriptions that were in the candidate list for the ESP 3 program are attached. This list is not inclusive of all City seismic needs, but represents high priority projects which are furthest along in the planning process.

Project Name	Department	Seismic Rating	Estimated Total Deficit
McLaren Lodge	Rec/Park	4	$9,556,587
Conservatory of Flowers	Rec/Park	3	3,500,000
Richmond Branch Library	Library	4	4,665,594
GG Valley Branch Library	Library	3	5,375,580
Marina Branch Library	Library	4	4,968,195
Noe Valley Branch Library	Library	4	6,322,964
Hunter's Point Youth Center	Mayor's OCD	3	6,859,779
SE Child & Family Therapy	Public Health	4	1,793,982
SF General Hospital	Public Health	4/3	19,350,000
240 Van Ness	Admin Services	4	2,000,000
Art Commission Gallery	Art Commission	4	1,878,854
Total			$66,271,535

Please call me at 554-4806 if you have any questions.

Item 10 - File 00-0667

Department: Department of Real Estate (DRE)
Department of Public Works (DPW)

Item: Resolution approving and authorizing an Agreement with the State of California for the acquisition of right of ways to certain portions of Route 101 located generally between Market Street and Turk Street (the former Central Freeway); adopting findings that such acquisition is consistent with the City's General Plan and eight priority policies of the City Planning Code Section 101.1; and placing the property under the Department of Public Works' jurisdiction.

Description: The Central Freeway (U.S. 101) was constructed in 1959 to connect Franklin, Gough, Oak, and Fell Streets with Interstate 80 for direct freeway access to the East Bay and with Route 101 South for direct freeway access to the South Bay and the Peninsula. On October 17, 1989, the Loma Prieta Earthquake caused extensive structural damage to the Central Freeway which necessitated demolition of the freeway's upper deck and its Franklin and Gough Street ramps. As a result, Section 72.1 was added to the California Streets and Highways Code in order to:

- declare that those portions of the Route 101 right-of-way between Market and Turk Streets are no longer a state highway;
- require Caltrans to remove the Central Freeway structure and convey to the City those parcels of land which are no longer required for right-of-way purposes;
- require the City to use the proceeds from any sale of the right-of-way parcels of land for the purpose of designing, constructing, developing, and maintaining the Octavia Street Project[1] and thereafter for transportation and related purposes; and
- require the city to accept all liabilities associated with the property to be conveyed.

[1] The Octavia Street Project consists of the improvement of Octavia Street between Market, Fell, and Oak Streets as a ground level boulevard to expedite the passage of vehicles which would formerly have used the Central Freeway.

The proposed Agreement with the State of California Department of Transportation (Caltrans) would convey to the City, for no consideration, 23 parcels of land in "as in" condition (Parcel Nos. A to V shown in Attachment I) comprising the former Central Freeway between Market and Turk Streets. The total land area to be conveyed from Caltrans to the City would be approximately 387,602 square feet (net of public street areas) or 8.9 acres.

Under the proposed Agreement, Caltrans would relinquish 13 parcels of land, Parcels A through L ("Phase I property"), within 30 days following approval of the transfer by the California Transportation Commission in June of 2000. Caltrans would relinquish the remaining ten parcels of land, Parcels M through V ("Phase II property"), within 30 days following complete demolition by Caltrans of the remaining Central Freeway structures on that property. Mr. Ken Chopping of DRE advises that the City prefers that such demolition happen as soon as possible, but that the schedule will be determined by Caltrans.

Comments:

1. Under the proposed Agreement, the City would hold the State harmless from all losses, damages, suits, penalties, costs, expenses, or liabilities connected with the actions of the City or its agents during any inspection of the subject property prior to its conveyance to the City. However, the State would indemnify the City against other claims filed before the transfer of title to the City. Mr. Chopping, advises that DRE does not plan any pre-conveyance activity on the proposed land, including soil sampling or drilling, that could result in a claim against the City. According to Mr. Donnell Choy of the City Attorney's Office, these Agreement provisions should not affect the City if neither the City nor its agents enter the property prior to its conveyance to the City. Mr. Choy advises that Caltrans has not yet approved the proposed Agreement.

2. According to Mr. Chopping, an environmental site assessment of the subject parcels of land has been conducted which did not find any visual evidence of hazardous materials storage. A search of government

databases did not disclose any identified hazardous materials or chemical releases in any nearby properties which could impact the subject parcels of land. However, two former service stations were located either on or next to the subject property and no public records were found for underground storage tank removals. DRE has requested Caltrans demolition records which should disclose whether underground storage tanks were removed. Caltrans reports it will take two weeks to receive the records.

Mr. Chopping stated that neither of the two potential underground storage tank locations has shown signs of contamination. One is on a site that will be retained by the State of California and any storage tank removal would be the responsibility of the State. The flow of ground water is away from the sites the City is acquiring and the risk of contamination is minimal. The other potential storage tank location is a parcel of land that would be used by the City for the Octavia Street Project. During construction of the Octavia Street Project the present paving will be removed and the site will be excavated. If a storage tank is discovered during the excavation it would be removed.

3. As shown in Attachment II, provided by DRE, Caltrans currently has 24 leases in effect with private companies, individuals, and public agencies for parking lot operations located on the subject parcels of land. The 24 leases generate annual rental revenue of $927,787 to the State. Fourteen of these 24 leases relate to Phase I property and generate an annual rental revenue of $771,247 (see Attachment III provided by DRE). The remaining ten leases relate to Phase II property and generate an annual rental revenue of $156,540 (see Attachment IV provided by DRE).

4. Under the proposed Agreement, when the City acquires Phase I and Phase II property, the State would assign the related leases (as listed in Attachments III and IV) to the City and thereafter the rental revenue from those leases would accrue to the City. On the Phase I and Phase II property conveyance dates, Caltrans would transfer to the City the full security deposits for each of

the relevant lessees. According to Mr. Chopping, 22 of the 24 existing leases are short term leases with 30 to 90 day termination rights. Mr. Chopping states that Caltrans, in consideration of the City's proposed acquisition, will not grant extensions for any of these 22 leases and will only allow them to continue as month-to-month tenancies at the current monthly rents. According to Mr. Chopping, Caltrans staff state that all leases were secured by public auction, and that while the more recent leases are at market rates, the older leases may be below market rates. Demand is reported to be strong for these leases, according to Mr. Chopping.

5. Two of the 24 leases are long term with no termination rights prior to the expiration of the long term leases:

- Lease No. SF-101-02 with Alfred Giannini for 3,320 square feet of land located on McAllister Street just west of Franklin Street, at a rent of approximately $0.20 per square foot per month, for a total rent of $667 per month ($8,004 per year). This lease has a 50 year term from September 1, 1982 to August 31, 2032[2]. Mr. Chopping states that at the time of the lease execution, Mr. Giannini was planning to develop a car wash on this site and needed a long term lease. The rent is subject to Consumer Price Index adjustments at five-yearly intervals. The next adjustment will be on September 1, 2002; and
- Lease No. SF-101-03, 04, 53, and 54 with the San Francisco Unified School District (SFUSD) for 38,720 square feet of contiguous land located between McAllister and Ash Streets, at a rent of approximately $0.106 per square foot per month, for a total rent of $4,091 per month ($49,087 per year)[3]. The leased property is adjacent to SFUSD office buildings. This lease has a 50 year term from

[2] Two other leases with Mr. Giannini (Lease Nos. SF-101-65 and SF-101-66) are for parcels of land contiguous with the land leased by Mr. Giannini under Lease No. SF-101-02. Mr. Giannini pays approximately $0.36 per square foot per month, for a total rent of $1,200 per month ($14,400 per year) for the 3,340 square feet under Lease No. SF-101-65, and approximately $0.48 per square foot per month, for a total rent of $550 per month ($6,600 per year) for the 1,140 square feet under Lease No. SF-101-66. These three leases cover Parcel D.

[3] No rent is payable for 6,800 square feet until January 1, 2026, at which time rent will commence at the same rental rate charged for the remaining 31,920 square feet under Lease No. SF-101-03, 04, 53, 54 which covers Parcel E, Parcel E-st, and a very small piece of Parcel F.

January 1, 1976 to December 31, 2025, with four options to renew at ten years each until December 31, 2065. According to Mr. Chopping, the original lease was with the State Bar of California Association which wanted to build offices on adjacent land. The long term parking lease, and the use of the entire space for parking, was required by the City as a condition of the building permit. The State Bar of California Association subsequently assigned the lease to the SFUSD on December 17, 1998. The rent is subject to Consumer Price Index adjustments at five-yearly intervals. According to Mr. Chopping, the next adjustment is expected on January 1, 2001.

6. According to Mr. Chopping, the appraised value of (a) Phase I property is approximately $18,200,000, and (b) Phase II property is approximately $10,700,000, for (c) an appraised value of approximately $28,900,000 for all 23 subject parcels of land. Mr. Chopping states that this appraised value is based on land area and market value, but has not been adjusted for the two long term leases described in Comment No. 5 above or for potential long term land uses (such as affordable housing). Mr. Chopping states that such adjustments could materially reduce the value of the parcels.

According to Mr. Chopping, the City would use any proceeds from the 24 leases for the purpose of designing, constructing, developing, and maintaining the Octavia Street Project until the City's share of the costs of that project are paid in full or funded from other sources, in accordance with Senate Bill No. 798.

7. According to Mr. Patrick Rivera of DPW, DPW will work with the Planning Department, the Redevelopment Agency, and the Mayor's Office of Economic Development to develop a long term plan for the 23 parcels of land. Mr. Rivera advises that the four departments have not yet held any formal discussions about the subject property.

8. According to Mr. Chopping and Mr. Rivera, the only ongoing costs to the City of acquiring the subject property would be the additional DRE management duties for lease administration. These lease administration costs would

be absorbed in DRE's current budget, according to Mr. Chopping.

Recommendation: Approve the proposed resolution.

EXHIBIT A
CENTRAL FREEWAY RELOCATION PROJECT
Parcels to be Received from Caltrans

No.	Blk/Lot	Location	Project Area (s.f.) *	Net of R/W**
A	761/27	SE cor. Turk & Gough Streets to Elm Street	18,310	18,310
B	761/23ptn	Elm Street to Golden Gate Avenue	13,802	13,802
C	768/13	SW Franklin & Golden Gate to Redwood St.	16,500	16,500
D	768/73	N. side of McAllister to Redwood Street	10,937	10,937
E	785/30ptn	South side of McAllister Street	22,384	22,384
E-st	785/33	Portion of Ash Street east of Gough Street	6,010	6,010
F	785/29ptn	N. Side of Fulton, NE cor. at Gough	18,439	18,439
G	792/28ptn	NE cor. Gough & Fulton Streets	13,790	13,790
H	793/36ptn	NW cor. Gough & Grove Streets	11,269	11,269
I	808/36	West side of Gough bet. Grove & Ivy Streets	16,240	16,240
J	808/39	E. side of Octavia bet. Ivy & Hayes Streets	17,398	17,398
K	817/30	E. side of Octavia bet. Hayes & Linden Streets	20,569	12,499
L	817/33	E. side of Octavia bet. Linden & Fell Streets	12,649	4,579
		Phase I Subtotal:	198,297	182,157
M	832/26	E. side of Octavia bet. Fell & Hickory Streets	9,900	1,803
N	832/25	E. side of Octavia bet. Hickory & Oak Streets	9,900	1,803
O	831/24	W. side of Octavia bet. Fell & Hickory Streets	37,427	37,427
P	831/23	W. side of Octavia bet. Hickory & Oak Streets	49,500	49,500
Q	839/29	NW corner of Oak & Octavia Streets	4,650	4,650
R	838/35	E. side of Octavia bet. Oak & Lily Streets	10,500	2,790
S	838/34	E. side of Octavia bet. Lily & Page Streets	10,680	2,970
T	853/22	E. side of Octavia bet. Page & Rose Streets	13,212	5,502
U	853/21	E. side of Octavia bet. Rose & Haight Streets	13,200	5,490
V	855/11	E. side of Octavia, Haight St. to Market Street	30,336	12,244
		Phase II Subtotal	189,305	124,179
		Total	*387,602	**306,336

*Total Project Area to be received from Caltrans net of public street areas Above square footag approximate.
**Net land area, net of Octavia Street Project

CENTRAL FREEWAY RELOCATION PROJECT

SCHEDULE 1-INDEX
SUMMARY OF LEASES

Lease No.	Lessee	Monthly Rent	Security Deposit
SF-101-01	Car Park Management	$4,200.00	$4,700.00
SF-101-02	Alfred Giannini	667.00	0
SF-101-03,4,53,54	S.F.Unified School District	4,090.60	1,450.00
SF-101-05	San Francisco Opera	7,750.00	8,250.00
SF-101-06	San Francisco Opera	5,400.00	5,900.00
SF-101-07	Safe Park Corporation	4,900.00	5,400.00
SF-101-08	Safe Park Corporation	7,200.00	16,700.00
SF-101-09	San Francisco Symphony	6,400.00	6,400.00
SF-101-10	Safe Park Corporation	4,700.00	5,200.00
SF-101-11	Safe Park Corporation	3,000.00	3,500.00
SF-101-12	Park Bay Inc.	1,400.00	1,900.00
SF-101-13	B & A Towing	500.00	1,000.00
SF-101-14	Safe Park Corporation	550.00	1,050.00
SF-101-15	Safe Park Corporation	1,100.00	1,600.00
SF-101-16	Car Park Management	1,350.00	1,850.00
SF-101-17	Gethsemane Church	1,300.00	1,800.00
SF-101-18	Car Park Management	1,400.00	1,900.00
SF-101-19	Car Park Management	1,045.00	1,545.00
SF-101-20	U Haul Co. of California	2,500.00	3,000.00
SF-101-21	U Haul Co. of California	1,900.00	2,400.00
SF-101-64	Federal Auto Parks, Inc.	12,113.00	12,613.00
SF-101-65	Alfred Giannini	1,200.00	1,700.00
SF-101-66	Alfred Giannini	550.00	1,050.00
SF-101-68	S. F. Redevelop. Agency	2,100.00	2,600.00

Total Monthly Rent	$77,315.60	
Total Security Deposit		$93,508.00
Total Annual Rent	$927,787.20	

Notes on Leases-see page 2

Of the 24 leases in effect from Caltrans, all but 2 are short term lease, with 30 to 90 day termination rights. For those leases, 15 have expired recently or will expire by the end of June, 3 will expire later in 2000 and 4 expire in 2001. None of those leases have any renewal options and in consideration of the City's acquisition, Caltrans will not grant any renewal of those leases, allowing them to continue on a month to month status at current rents.

Two leases are long term leases with no termination rights, as shown below:

Lease No. 2 with Giannini extends to 8-31-2032. Monthly rent is to be adjusted to CPI at 5 year intervals that began 9-1-82. The next adjustment date is 9-1-02.

The San Francisco Unified School District has a lease covering lease parcels 03, 04, 53 and 54. That lease extends to 12-31-2025 with a renewal option extending to 12-31-2065. No rent is due for Parcel 53 for the initial 50 years. For Parcel 53, effective 1-1-2026 the monthly rent will commence at the same rental rate as charged for Parcels 3, 4 and 54. Monthly rents are to be adjusted to CPI changes at 5 year intervals on January 1beginning 1-1-81. The next adjustment date is apparently January 1, 2001. This lease is for parking and construction of a building. Lessee shall pay all taxes assessed on any improvements. Note: this lease was originally with the State Bar Association and was assigned to the School District in December 1998. The School District owns office buildings on adjacent parcels facing Franklin Street.

EXHIBIT D OF MOU
CENTRAL FREEWAY RELOCATION PROJECT

SCHEDULE 1-INDEX
SUMMARY OF LEASES IN PHASE I RELINQUISHMENT

Lease No.	Lessee	Monthly Rent	Security Deposit
SF-101-01	Car Park Management	$4,200.00	$4,700.00
SF-1-1-02	Alfred Giannini	667.00	0
SF-101-03,4,53,54	S.F.Unified School District	4,090.60	1,450.00
SF-101-05	San Francisco Opera	7,750.00	8,250.00
SF-101-06	San Francisco Opera	5,400.00	5,900.00
SF-101-07	Safe Park Corporation	4,900.00	5,400.00
SF-101-08	Safe Park Corporation	7,200.00	16,700.00
SF-101-09	San Francisco Symphony	6,400.00	6,400.00
SF-101-10	Safe Park Corporation	4,700.00	5,200.00
SF-101-11	Safe Park Corporation	3,000.00	3,500.00
SF-101-64	Federal Auto Parks, Inc.	12,113.00	12,613.00
SF-101-65	Alfred Giannini	1,200.00	1,700.00
SF-101-66	Alfred Giannini	550.00	1,050.00
SF-101-68	S. F. Redevelop. Agency	2,100.00	2,600.00
	Total Monthly Rent	$64,270.60	
	Total Security Deposit		$75,463.00
	Total Annual Rent	$771,247.20	

CENTRAL FREEWAY RELOCATION PROJECT

SCHEDULE 1-INDEX
SUMMARY OF LEASES IN PHASE 2 RELINQUISHMENT

Lease No.	Lessee	Monthly Rent	Security Deposit
SF-101-12	Park Bay Inc.	1,400.00	1,900.00
SF-101-13	B & A Towing	500.00	1,000.00
SF-101-14	Safe Park Corporation	550.00	1,050.00
SF-101-15	Safe Park Corporation	1,100.00	1,600.00
SF-101-16	Car Park Management	1,350.00	1,850.00
SF-101-17	Gethsemane Church	1,300.00	1,800.00
SF-101-18	Car Park Management	1,400.00	1,900.00
SF-101-19	Car Park Management	1,045.00	1,545.00
SF-101-20	U Haul Co. of California	2,500.00	3,000.00
SF-101-21	U Haul Co. of California	1,900.00	2,400.00
	Total Monthly Rent	$13,045.00	
	Total Security Deposit		$18,045.00
	Total Annual Rent	$156,540.00	

Memo to Finance Committee and Labor Committee
May 17, 2000 Finance and Labor Committee Meeting

Item 11 - File 00-0784

Department:	Department of Human Services (DHS) Department of Building Inspection (DBI)
Item:	Resolution authorizing an amendment to lease real property at 1650 Mission Street for the Department of Human Services and the Department of Building Inspection.
Location:	The proposed amended lease is for the rental of a portion of the second floor and third floor located at 1650 Mission Street.
Purpose of Lease:	To (a) temporarily relocate DBI staff while its current location, 1660 Mission Street, is being renovated as well as alleviate overcrowded conditions for DBI staff at 1660 Mission Street, and (b) to reduce overcrowded conditions for DHS staff at various locations in the City.
Lessor:	G & I Mission, L.L.C.[1]
Lessee:	City and County of San Francisco, acting by and through the Department of Human Services and the Department of Building Inspection.
No. of Sq. Ft. and Cost Per Month:	16,564 square feet at a monthly rental rate of $71,920 (approximately $4.34 per square foot) in Year One of the subject lease.
Annual Cost:	$1,038,040 in Year One of the proposed lease, including $863,040 in rent and $175,000 in property improvements, and $921,516 in Year Five of the proposed lease.
Annual Rent Increases:	Approximately $1.00 per square foot each year of the proposed lease contract for 14,619 square feet on the 3rd floor which amounts to $14,619 annually.
Utilities and: Janitorial Services:	Utilities and Janitorial Services will be provided by the landlord.

[1] Mr. Steve Legnitto of DRE has noted that the building at 1650 Mission Street was sold on April 28, 2000. The owner in the proposed resolution, 1650 Mission Street, sold the property to G & I Mission, L.L.C.

Term of Lease: Five Years (September 1, 2000 to August 31, 2005).

Right of Renewal: None

Source of Funds: Proposed budgets of DBI and DHS for FY 2000 – 2001.

Description: The proposed resolution would authorize a new five-year lease of 16,564 square feet of office space, 3,000 square feet for DBI and 13,564 square feet for DHS, on available portions of the second and third floors of the facility at 1650 Mission Street from the new owner G & I Mission, L.L.C. The new proposed leased space would allow DBI personnel to relocate during building construction at its current location at 1660 Mission Street and to alleviate overcrowding at 1660 Mission Street. The new leased space for DHS would reduce overcrowded shared space conditions at various locations in the City.

Comments: 1. According to Mr. Steve Legnitto of DRE, the proposed lease would begin after the improvements, made at the landlord's expense, are completed. Renovations are expected to be completed between July 1, 2000 and September 1, 2000.

2. According to Mr. Legnitto, of DRE, the City has leased the subject property at 1650 Mission Street for DBI and DHS since May of 1996. The lease was amended in September of 1997 to provide additional space for both DBI and DHS on the 3rd floor of 1650 Mission Street. The existing lease agreement for leased space expires on July 31, 2003. DHS currently occupies 50,005 square feet of space and DBI currently occupies 7,907 square feet at an average cost of $1.40 per square foot for a total cost of $81,077 per month at 1650 Mission Street. The proposed lease of an additional 16,564 square feet at a monthly rate of approximately $71,910 would cost $4.34 per square foot per month for the new leased space.

According to Mr. Legnitto of DRE, the additional proposed leased space of 16,564 square feet at a monthly cost of approximately $71,910 would increase the average cost per square foot for all existing and proposed lease space at 1650 Mission Street from $1.40 to $2.05. The cost for the existing lease and the proposed lease are as follows:

	Existing	Proposed	Total
Rent/Mo.	$81,077	$71,910	$152,987
Sq. Ft	57,912	16,564	74,476
Average Monthly Rent per square foot	$1.40	$4.34	$2.05

The proposed lease at 1650 Mission Street is for 16,564 square feet of space at an average monthly rate of approximately $4.34, which is nearly $3 per square foot more than the current average of $1.40 for rent, as noted above. According to Mr. Legnitto of DRE, real estate leasing costs have risen dramatically in the past year, and since available space is becoming more difficult to locate and becoming more expensive, DRE decided to exercise the option in its contract and lease additional space at 1650 Mission Street.

3. According to Ms. Amy Lee of DBI, if DBI relocates its staff from its current location at 1660 Mission Street under the proposed amended lease, DBI would use the vacated space to alleviate overcrowding and relocate staff during building renovations at 1660 Mission Street. The DBI divisions who would relocate under this proposed lease include a staff of between 25 and 35 DBI Inspectors, Plan Checkers and Administrative Staff. Ms. Lee notes that DBI plans to move staff back to its 1660 Mission Street location after the building construction is complete in 18 to 22 months. According to Mr. Steven Young of DBI, DBI staff is increasing and space limitations may require that some staff remain at the 1650 Mission Street location after renovation work at 1660 Mission Street is completed. According to Mr. Legnitto of DRE, the average current rent paid for DBI staff is approximately $0.57 per square foot per month. There would be no realized cost savings from moving DBI staff.

4. There are four divisions within DHS that would relocate to 1650 Mission Street under the proposed lease: The Division of Housing and Homeless Programs, In Home Support Services, DHS Support Services, and Personnel Operations and Payroll Services. The proposed lease would

allow approximately 67 staff from these divisions to move from overcrowded conditions or shared space arrangements at various locations in the City to space dedicated for their use. According to Mr. Legnitto of DRE, the average current rent paid for DHS staff is approximately $1.50 per square foot per month. There would be no realized cost savings from moving DHS staff.

5. According to Ms. Amy Lee of DBI, DBI has proposed in its budget for FY 2000 - 2001 approximately $175,000 for improvements including office equipment, cubicles, computer equipment and computer networking equipment, office furniture and furniture installation, telecommunications wiring and equipment, additional electrical wiring and other improvements necessary for the department's operation at 1650 Mission Street.

According to Ms. Sally Kipper of DHS, DHS does not plan on spending funds for improvements or renovations for their proposed lease space.

6. The lease agreement states that the City would pay a prorata share of the real estate taxes and operating cost increases based upon the base year 2000 for the additional area. According to Mr. Legnitto of DRE, this is standard pass through language and there would be no increase in real estate taxes or operating costs during the first year of the proposed lease agreement until the baseline costs are established. Further, Mr. Legnitto states that since the building was sold to a new owner in April of 2000 any increased costs due to increased real estate taxes would be minimal.

7. According to Mr. Legnitto of DRE, the property at 1650 Mission was sold on April 28, 2000. The landlord identified in the proposed resolution, 1650 Mission Street Associates, sold the property to G & I Mission, L.L.C.

8. Mr. Steve Legnitto of DRE has stated that the proposed lease represents fair market rental value.

Recommendation: Approval of the proposed resolution is a policy matter for the Board of Supervisors.

Item 12 - File 00-0730

Department: Department of Human Services

Item: Hearing to consider the release of reserved funds in the total amount of $607,519 to: a) provide $154,349 to be used for program design efforts and a site search for a Resource Center serving homeless people and people at risk for being homeless in the North Mission District; and b) $453,170 to be carried forward to the budget for FY 2000 – 2001 to be used for necessary capital improvements and renovations once the site is secure.

Amount: $607,519

Source of Funds: General Fund: Previously appropriated and reserved funds from the DHS Budget.

Description: During the FY 1999 – 2000 budget review process the Board of Supervisors placed $607,519 on reserve that the Department of Human Services (DHS) had allocated for new Resource Centers. The Board of Supervisors reserved these funds to ensure that the North Mission District community was involved in the process of program development and site selection for the new Resource Center.

Beginning in June of 1999 the Department of Human Services, Division of Housing and Homeless Programs, in partnership with the Department of Public Health and the Mayor's Office convened a community planning process with Mission District residents, merchants, service providers, potential consumers and representatives from neighborhood organizations to develop the concept of a Mission Neighborhood Resource Center to serve homeless people and people at risk of homelessness in the North Mission District community. According to Ms. Kate Durham of DHS, the group developed plans for a Resource Center that would offer drop-in services; health services, including substance abuse and harm reduction services; vocational employment and education services; case management and advocacy services; housing stabilization services; and community building activities. DHS proposed funding is

intended to support these core services while collaborations with other service providers, including the Department of Public Health, would create access to a broader array of services citywide.

Budget:

DHS would utilize the $607,519 in reserved funds for the following: (a) $54,349 for a contract with the Mission Neighborhood Health Center to begin preliminary discussions with potential landlords for leased space and continuing program development with community groups; (b) $100,000 to reserve rental space until the community acceptance process is completed; and (c) $453,170 to be carried forward to the budget for FY 2000 – 2001 for capital improvements and renovations which may be needed for the proposed Resource Center.

Comment:

1. Ms. Kate Durham of DHS advises that community organizations would continue to be involved in the site selection process and program development. DHS will follow the requirements of Proposition I[1] once a potential site has been selected and is acceptable to the community.

2. On February 23, 2000 DHS issued a Request for Proposals to identify agencies or organizations interested in providing a North Mission District center for homeless people and people at risk of becoming homeless. The Request for Proposals were sent out to prospective contractors from Department of Human Services contractor lists, posted on the DHS website, and sent to Mission District community organizations. The RFP was also advertised in the San Francisco Independent, Bay Area Reporter, SF Business Woman, Asian Week, Sun Reporter, SF Bay View, and El Bohemia News. The Mission Neighborhood Health Center was the sole applicant that responded by March 22, 2000 to the RFP. The Mission Neighborhood Health Center proposes utilizing a collaborative effort of groups including Mission Mental Health, Mission Council on Substance Abuse, the SRO Collaborative and Quan Yin that would provide services at the Resource Center. In order to expedite the process of locating a site, the Department of Human

[1] Proposition I, or the Citizens Right to Know Act of 1998, is a formal hearing process giving citizens notice of pending City government projects paid with tax dollars and permitting public comment on the proposed project.

Services proposes entering into a six month (June 1, 2000 through November 30, 2000) planning contract with the Mission Neighborhood Health Center. Once an acceptable and appropriate site for the Resource Center has been identified, the contract with the Mission Neighborhood Health Center would be expanded and they would become manager of the day to day operations of the Resource Center. The proposed six month operating budget for the Mission Neighborhood Health Center is as follows:

Salaries	$27,800
Fringe Benefits	6,394
Subtotal	$34,194
Computers and Computer Equipment[2]	$2,550
Community Outreach Facilitator	7,500
Indirect Cost	6,800
Operating Expenses	3,305
Subtotal	$20,155
Total	$54,349

3. According to Ms. Durham, DHS would like to find available space in the North Mission District area near Mission Street and 16th Street. This area of the Mission District has a high concentration of homelessness, homeless street deaths, drug use, mental illness and emergency room admissions.

4. Ms. Durham notes that the Resource Center would provide drop-in services that are not currently available in the North Mission District Area. Drop-in services include restrooms, showers, snacks, laundry facilities, storage lockers for personal possessions, peer counseling, community activities and support groups. Additional services would include substance abuse and harm reduction services; vocational, employment and educational services; and case management and advocacy services designed to engage people with a system of support, reduce individual and community health risks

[2] According to Ms. Durham of DHS, the computer equipment would become the property of the Mission Neighborhood Resource Center

and offer opportunities to assist individuals in stabilizing their lives. The Center would offer important on site services and create stronger linkages for low-income people in the North Mission in gaining access to housing, medical care, mental health services and substance abuse services city-wide.

5. Ms. Durham states that DHS proposes that the Center will be open and provide services for approximately 56 to 72 hours per week and serve between 200 and 250 persons daily

6. According to Ms. Durham, $750,000 for annual operating expenses has been included in the proposed DHS budget for FY 2000 – 2001. DHS would need approximately 8,000 square feet of leased space for the proposed project and would prefer a location that has visible street access. The proposed operating budget for the Mission Neighborhood Resource Center is as follows:

Salaries	$356,840
Fringe Benefits	82,073
Subtotal	$438,913
Operating Expenses	$229,287
Indirect Costs	
Salaries	$62,700
Fringe Benefits	14,421
Audit and Evaluation	4,679
Subtotal	$81,800
Total	$750,000

The City's General Fund is the source of funds for the proposed operating expenses shown above. As noted previously, in addition to the proposed FY 2000 – 2001 operating costs summarized above, DHS requests a carry forward to FY 2000 – 2001 of $453,170 in reserved funds for capital improvements.

7. Ms. Durham notes that once a site is selected and the program is implemented, the Mission Neighborhood Health Center, would develop a Neighborhood Advisory

Committee, comprised of residents, merchants, and representatives of neighborhood organizations. This group would meet regularly and provide ongoing input into the implementation of the Center and monitor the impact the Center is having on the quality of life in the Mission District neighborhood.

8. The Budget Analyst recommends releasing $54,349 for the contract awarded by RFP to the Mission Neighborhood Health Center. Further, the Budget Analyst proposes reserving $553,170, $100,000 for rent for a site which has not yet been selected and $453,170 for capital improvements and renovations which have not yet been identified.

Recommendations:

1. In accordance with Comment No. 8 above, release $54,349 for the contract with Mission Neighborhood Health Center.

2. Continue to reserve $553,170 including (a) $100,000 for rent pending the selection of a site for the Resource Center and (b) $453,170 for unidentified renovations and capital improvements.

Item 13 - File 00-0785

Department: Department of Real Estate (DRE)

Item: Resolution approving and authorizing the exercise of an option to acquire real property located at 525 Golden Gate Avenue from the State of California for the nominal price of $2.00; adopting findings that the conveyance is consistent with the City's General Plan and eight priority policies of Planning Code Section 101.1; and ratifying prior acts.

Description: The proposed resolution would authorize the City to exercise the City's option to purchase 21,780 square feet of State-owned land, located at 525 Golden Gate Avenue between Polk Street and Van Ness Avenue. The City entered into an Option and Purchase and Sale Agreement with the State for the subject property on August 25, 1997. The Option Agreement provided that the City had the option to purchase the subject property from the State for the purchase price of $2.00, subject to Board of Supervisors approval.

Approval of the proposed resolution would authorize the exercise of the City's option to purchase the real property at 525 Golden Gate Avenue for the purchase price of $2.00.

Comments: 1. According to Mr. Steve Legnitto of DRE, 525 Golden Gate Avenue contains a vacant nine-story building, consisting of 176,000 square feet, which was formerly used by the State of California for the offices of the State Uninsured Employers' Fund. Mr. Legnitto states that the existing structure, which was damaged during the Loma Prieta earthquake in 1989, is not habitable and would need to be demolished. The Department of Public Works (DPW) has estimated that total costs for demolition of the building and reconstruction of the surface, including excavation, filling the excavated hole, and paving the surface, would be approximately $3,000,000. According to DPW, determination of funding sources and appropriation of funds for the proposed demolition of the vacant building at an estimated cost of $3,000,000 would be subject to Board of Supervisors approval. According to Mr. Legnitto, DRE projects that the cost of demolition would be less than the estimated value of the land without the building. Mr.

Legnitto states that the vacant property, exclusive of the nine-story building, consists of 21,780 square feet, and that the fair market value would be greater than $300 per square foot, or approximately $6,534,000 ($300 times 21,780).

2. According to Mr. Anthony Irons, the City Architect, the environmental review of potential uses of the property, required by the California Environmental Quality Act (CEQA), is currently in progress, but no report has yet been issued. Mr. Irons states that the City is looking at various uses for the subject property, including use as an office building for City departments and agencies. Mr. Irons advises that no specific potential use of the building has yet been determined, and that determination of such use would be a policy matter for the Board of Supervisors.

3. According to Mr. Irons, the State has not placed restrictions on the development or resale of the subject property. Therefore, the purchase agreement would not prohibit the City from leaving the subject property vacant or from selling the property at fair market value in the future and retaining all proceeds from such a sale.

Recommendation: Approve the proposed resolution.

Item 14 - File 00-0786

Department: Mayor's Office of Public Finance
Mayor's Office of Housing

Item: Resolution authorizing and directing the sale of not to exceed $20,000,000 of City and County of San Francisco General Obligation Bonds (Affordable Housing), Series 2000D (the "Series 2000D Bonds").

Description: In November of 1996, the voters of San Francisco approved Proposition A, which authorized the City to issue $100,000,000 in General Obligation Bonds to: (1) finance the development of rental housing affordable to low income households and (2) to provide down payment assistance to low- and moderate-income first-time homebuyers (the "Affordable Housing Bonds").

In October 1997, the Board of Supervisors established authority for the Affordable Housing and Homeownership Bond Program (File 97-97-56) (the "Program") and approved regulations developed by the Mayor's Office of Housing for the Program (File 97-97-56.1). According to Mr. Joe La Torre of the Mayor's Office of Housing, under the Program, the City will issue General Obligation Bonds from time to time up to the point that the total aggregate principal amount of bonds issued is $100,000,000. According to Mr. La Torre and pursuant to the Program, 85 percent of the funds will be used for affordable rental housing development and 15 percent will be used for down payment assistance loans for first-time homebuyers. In October 1997 the Board of Supervisors also established the general terms and procedures for the issuance of Affordable Housing Bonds (File 170-97-10) and authorized the issuance and sale of the first series of bonds under the Program (File 170-97-10.1). The first series of Affordable Housing Bonds, $20,000,000 of City and County of San Francisco Taxable General Obligation Bonds (Affordable Housing), Series 1998A, was issued on February 18, 1998. The second series, $20,000,000 of City and County of San Francisco Taxable General Obligation Bonds (Affordable Housing), Series 1999A, was issued on June 10, 1999. (Attachment I to this report, provided by the Mayor's Office of Housing, list the projects receiving funds from the Affordable Housing and Home Ownership Bond Program during Fiscal Year 1999-2000.)

This proposed resolution would authorize the sale of the third series of Affordable Housing Bonds, the Series 2000D Bonds, in an amount not to exceed $20,000,000. The proposed resolution would also approve the form and terms of documents and official notices related to the bond sale, and authorize City officials to take various actions necessary to carry out the sale of the bonds.

The general provisions of the sale of the Series 2000D Bonds would be as follows:

- The sale of the bonds is tentatively scheduled to be held on June 21, 2000.
- The bonds would be sold at an interest rate not to exceed 12 percent per year and would have a final maturity not later than 2025.
- An official statement describing the bonds to be issued is included with the proposed resolution for approval by the Board of Supervisors. The official statement would be available to all bidders for the bonds.
- Bonds will be awarded to the bidder whose bid represents the lowest interest cost to the City.
- The City Treasurer may appoint fiscal agents or financial institutions to distribute bond principal and interest payments.
- The bonds are subject to Article VIII of Chapter 2 of the City's Administrative Code requiring accountability reports for general obligation bonds.

Comments:

1. As stated above, under the proposed resolution the annual interest rate for the $20,000,000 of Series 2000D Bonds cannot exceed 12 percent. However, Ms. Sarah Hollenbeck of the Mayor's Office of Public Finance reports that if the bonds were sold at this time, such bonds would be sold with an estimated overall effective interest rate of 5.84 percent over the anticipated 20-year life of the bonds.

2. According to Ms. Hollenbeck, the proposed sale of the Series 2000D Bonds in the amount of $20,000,000 would

result in total interest costs of $14,676,856, and total debt service of approximately $34,676,856 ($20,000,000 in principal plus $14,676,856 in interest costs) over the anticipated 20-year life of the bonds. The average debt service payment per year would be approximately $1,733,842.

3. According to Ms. Ann Carey of the Controller's Office, the proposed sale of the Series 2000D Bonds in the amount of $20,000,000 would result in an increase in the Property Tax rate of approximately $0.00256 per $100 of assessed value. At that rate, the owner of a single-family residence assessed at $400,000 would pay $10.07 in additional Property Taxes annually to meet the debt service requirements of these bonds.

4. Ms. Hollenbeck states that the cost of selling the $20,000,000 of Series 2000D Bonds, including fees for private bond counsel, financial advisors, financial printing and the services of the Mayor's Office of Public Finance, Mayor's Office of Housing, City Attorney, and Controller's Office are expected to be approximately $200,000, or approximately one percent of the total value of the $20,000,000 in bonds issued.

5. According to Ms. Hollenbeck, the City's General Obligation bonding capacity, which is equal to three percent of the City's net assessed property value, is $2,114,446,916 based on a net assessed valuation of $70,481,563,870 for Fiscal Year 1999-2000. Ms. Hollenbeck states that, as of May 1, 2000, the City had outstanding $902,700,000 aggregate principal amount of General Obligation Bonds, not including the subject Bonds of this resolution, which is equal to 1.28 percent of the net assessed valuation. Therefore, Ms. Hollenbeck advises that the City's current available General Obligation bonding capacity is approximately $1,211,746,916. The proposed sale of $20,000,000 of Series 2000D Bonds would reduce the City's bonding capacity from $1,211,746,916 to approximately $1,191,746,916. However, Ms. Hollenbeck advises that the City's bonding capacity varies from time to time as bonds are repaid and new bonds issued, and as the City's assessed valuation changes.

6. According to Mr. La Torre, the subject bonds are unlike other City General Obligation bonds because, under the Program, the City would not directly expend the proceeds

from these bonds but would, in most cases, act as a lender of the monies to other parties. Under Federal tax law, the lending of monies to private entities is regarded as a private activity and, in order for private activity bonds to be tax-exempt, certain additional governmental approvals are required.

Mr. La Torre advises that under certain circumstances, the portion of the Affordable Housing bonds used to finance the development of affordable rental housing may qualify as tax exempt General Obligation bonds. According to Mr. La Torre, in order to qualify as tax exempt bonds, the City must either: (1) make loans to qualified 501(c)(3) non-profit corporations which do not require allocation from the California Debt Limit Allocation Committee through its competitive process, or (2) draft the agreements with for-profit corporations as grants instead of as loans.

According to Mr. La Torre, the Mayor's Office of Housing has identified projects for which funds have been committed in previous rounds that can now be financed with the proceeds of tax-exempt bonds. (See Attachment II, provided by the Mayor's Office, for a list of these projects). The current issuance will provide funds for these projects, permitting taxable proceeds of the previous issuance to be made available for down-payment assistance loans and new projects that require taxable bond financing. Mr. La Torre advises that by issuing this series as tax-exempt bonds, the City will realize an interest savings of approximately $7,844,000 over the 20-year debt service period, compared to a taxable issuance.

8. All future expenditure appropriations of the bond proceeds, including appropriations to the Affordable Housing Bond Housing Fund, would be subject to separate appropriation approval by the Mayor and the Board of Supervisors.

Recommendation: Approval of the proposed resolution is a policy matter for the Board of Supervisors.

Attachment I

MAYOR'S OFFICE OF HOUSING
CITY AND COUNTY OF SAN FRANCISCO

WILLIE LEWIS BROWN,
MAY

MARCIA ROS
DIRECT

May 10, 2000

To: Members of the Board of Supervisors

From: Daryl Higashi, Acting Director

Subject: Allocation of 1990 Affordable Housing and Home Ownership Bond Program Funds

The following tables are extracted from the Annual Report of the Affordable Housing and Home Ownership Bond Program, dated as of May 1, 2000, a copy of which has been placed on file with the Clerk of the Board. Please refer to the Annual Report for more detailed information about the developments and homebuyers assisted with 1990 Affordable Housing Bond funds.

Rental Commitments	Date Approved	Housing Program	Amount	Units or Beds
165 Eighth St.	1/29/99	Supportive	$3,226,425	49
Haight Ashbury Free Clinics Treasure Is. Transitional Housing	8/31/99	Supportive	$44,042	18
Swords to Plowshares Treasure Island Transitional Housing	8/31/99	Supportive	$91,662	24
Walden House Treasure Island Transitional Housing	8/31/99	Supportive	$32,047	14
Treasure Island Family Housing	8/31/99	Supportive	$128,376	30
11 Projects Phase 2	2/22/00	Supportive	$1,121,553	87
4445 Third St.	3/7/00	Family Rental	$1,349,613	30
11 Projects Phase 3 (predevelopment)	4/25/00	Supportive	$100,000	33
Geneva Carter (preconstruction)	5/16/00	Family Rental	$1,942,350	100
327 Howard (predevelopment)	5/16/00	Senior	$309,494	35
Friendship House (acquisition predevelopment)	5/13/00	Supportive	$2,848,800	97
5th Howard Family Housing	6/13/00	Family Rental	$5,500,000	76
Broadway Parcel II (predevelopment)	5/13/00	Family Rental	$75,000	92
TOTALS:			$17,789,562	641

First Time Homebuyer Loans:

Period	Loans	Funding
Funds Loaned between April 12, 1999 and May 1, 2000	63	$3,855,802
Commitments Expected by August 1, 2000	28	1,200,871
Total Activity since April 12, 1999:	91	$5,056,673

25 VAN NESS AVENUE, SUITE 800 • SAN FRANCISCO, CALIFORNIA [illegible] • [illegible] • FAX [illegible]

FAX TRANSMISSION MEMORANDUM

MAYOR'S OFFICE OF HOUSING

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May 11, 2000

TO: Emilie Neuman 252-0461

FROM: Joe LaTorre

SUBJECT: Projects Anticipated for Tax-Exempt Financing

Projects with outstanding funding commitments:

Presentation Senior Community	$1,161,518
John King Senior Community	$3,655,534

Projects with pending applications:

Geneva/Carter Family Housing	$425,000
Yerba Buena Island Supportive Housing	$2,315,000
827 Howard Senior Housing	$809,494
Friendship House	$6,683,800
8th/Howard Family Housing	$3,000,000
421 Turk Family Housing	$1,100,000
Supportive Housing Notice of Funding Availability:	$2,197,343
Total Identified Tax-Exempt Potential:	$21,347,689

Memo to Finance and Labor Committee
May 17, 2000 Finance and Labor Committee Meeting

Item 15 - File 00-0788

Department: Department of Real Estate (DRE)
Recreation and Park Department (RPD)

Item: Resolution approving and authorizing the acquisition of real property in the North Mission District generally described as 45 Hoff Street (Lot 19 in Assessor's Block 3569) for open space purposes and adopting findings pursuant to City Planning Code Section 101.1.

Amount:

Property Purchase	$1,350,000
Closing Costs	15,000
Total	$1,365,000

Source of Funds:

State of California General Fund Grant	$1,083,500
Open Space Fund	281,500
Total	$1,365,000

Description: The RPD is proposing to purchase a vacant paved lot, consisting of 10,103.74 square feet, located at 45 Hoff Street, between 16th and 17th Street in the North Mission District. The subject property would be used for a mini-park, including a children's play lot.

According to Mr. Ken Chopping of DRE, the purchase price would be $1,500,000, of which the seller, Parking Properties, a General Partnership, would donate $150,000 of the purchase price to the City, for a net purchase price of $1,350,000. Mr. Chopping advises that the actual amount of funds that the City would be required to place in escrow would be $1,350,000. Mr. Chopping states that closing costs for the purchase would be approximately $15,000, for a total cost of purchase of $1,365,000.

Funds for the purchase of the subject property are available as follows:

- The Board of Supervisors approved the acceptance of a $1,083,500 State grant on November 15, 1999, designated for the creation of a North Mission Open Space (File 99-1863).
- Funds in the amount of $281,500 have been appropriated in the Open Space Fund for this purpose.

Approval of the proposed resolution would authorize the acquisition of the property at 45 Hoff Street for a cost of $1,365,000, including the net purchase price of $1,350,000 plus closing costs of $15,000.

Comments:

1. According to Mr. Chopping, the net purchase price of $1,350,000, which is equal to an actual purchase price of $1,500,000 less the seller's donation to the City of $150,000, represents fair market value. The actual purchase price of $1,500,000 equals $148.46 per square foot and the net purchase price of $1,350,000 equals $133.61 per square foot.

2. Mr. Chopping reports that a private developer, Eamonn Herlihy, offered the owner of the subject property, Parking Properties, $1,500,000 for the purchase of the vacant lot to construct residential condominium units. Mr. Chopping states that Mr. Herlihy withdrew his offer, stating that the seller had not informed him that the City was interested in purchasing the site to be used as a mini-park.

3. According to Mr. Tom Anderson of DPW, Camp, Dresser, and McKee, Inc., a private consultant, conducted a Phase I environmental site assessment of the subject property. Mr. Anderson states that a Phase I assessment includes a literature search of public agencies which may have knowledge of possible environmental hazards on the subject property or in the surrounding area that would affect the subject property. A report issued by Camp, Dresser, and McKee, Inc. states that "no recognizable environmental conditions were identified at the property. However, the use of the property from 1914 to 1948 is unknown, and the subsurface conditions of the property are also unknown". According to Mr. Anderson, if the City determines that it is in the City's interest to perform an analysis of the subsoil to identify environmental hazards, the analysis would take approximately 4 to 6 weeks and would include (a) obtaining 4 to 5 core soil samples, (b) conducting a laboratory analysis of these soil samples for priority pollutants, which include pesticides, petroleums, semi-volatile aromatics and heavy metals, and (c) a written report summarizing the findings of the laboratory analysis. The cost of such analysis would be approximately $4,000 to $5,000. Mr. Anderson advises

that, based on the Phase I assessment, DPW would not expect extensive or deep soil contamination by potentially hazardous materials at the subject property. However, without performing subsoil analysis, DPW is unable to provide an estimate of the type or cost of mitigation of possible environmental hazards on the subject property.

4. In a letter from Mr. Gerald Green of the Planning Department to DRE, Mr. Green states that "acquisition of the property would increase the amount of public open space in the City and is consistent with the intent of the General Plan".

5. According to Mr. Bob McDonald of RPD, the specific plans for the proposed mini-park and children's play lot to be developed on the subject property would be determined through a community hearing process. Mr. McDonald states that RPD has allocated $1,000,000 in Open Space Funds to purchase and develop a North Mission Open Space property. Of the $1,000,000 allocated for North Mission Open Space, $500,000 in Open Space Funds have been included in the FY 2000-2001 RPD budget and $500,000 in Open Space Funds were allocated in prior years' budgets for purchase and development of a North Mission Open Space property and not expended ($200,000 in FY 1996-97, $200,000 in FY 1997-98, and $100,000 in FY 1998-99, totaling $500,000). Of the $1,000,000 in available funds, $281,500 would be expended for the purchase of the subject property, and $718,500 would remain for the design and development costs of the proposed mini-park. Mr. McDonald states that actual design and development costs have not yet been determined, pending completion of the community hearing process.

6. According to Mr. Chopping, the assessed valuation of the subject property is $520,833 and property tax on the subject property to be paid to the City in FY 1999-2000 is $5912.04. Once the City acquires the subject property, such taxes would no longer be paid to the City.

Recommendation: Approval of the proposed resolution is a policy matter for the Board of Supervisors.

Memo to Finance and Labor Committee
May 17, 2000 Finance and Labor Committee Meeting

Item 16 – File 00-0799

Department: Department of Human Services

Item: Resolution approving the Controller's certification that security services can continue to be practically performed at the Department of Human Services by a private contractor at a lower cost than if the work were performed by City and County employees.

Services to be Performed: Security services at Department of Human Services facilities

Description: Charter Section 10.104 provides that the City may contract with private firms for services which had been performed by City employees if the Controller certifies, and the Board of Supervisors concurs, that such services can in fact be performed by private firms at a lower cost than similar work services performed by City employees.

The Controller has determined that contracting for the security services for FY 2000-2001 would result in estimated savings as follows:

City-Operated Service Costs	Lowest Salary Step	Highest Salary Step
Salaries	$2,150,232	$2,547,261
Fringe Benefits	678,436	740,849
Total	$2,828,668	$3,288,110
Contractual Services Cost	2,194,869	2,194,869
Estimated Savings	$633,799	$1,093,241

Comments: 1. Ms. Esther Reyes of DHS reports that security services were first certified, as required under Proposition J (Charter Section 10.104), in 1976, has been certified for each contract renewal and have been continuously provided by an outside contractor since that time.

2. The subject security services would be provided at eleven DHS facilities, including 170 Otis, 1235 Mission,

1440 Harrison, 1428 Bush, 1570 Mission, 225 Valencia, 1800 Oakdale, 160 South Van Ness, 3801 Third Street, 50 Van Ness and at San Francisco General Hospital. The beginning date for security services would be based on the available starting date for the new contractor Guardsmark. The contract is for an approximate two-year period either from June 1, 2000 to June 30, 2002, or from July 1, 2000 to June 30, 2002.

3. According to Mr. Ben Kawamura of the Purchasing Department, the original contract with McCoy's Patrol Services was for the period September 1, 1995 through August 31, 1997. The contract was extended and has been continued on a month to month renewal basis since March of 2000 when the contract expired.

4. During the first two weeks of February of 2000, announcements for a Request for Proposals were faxed and/or mailed to prospective contractors from the Human Rights Commission certified list, as well as those listed under "Security Guard & Patrol Service" in the San Francisco phone book. The RFP was advertised through the California Newspaper Service Bureau in the San Francisco Independent, El Bohemia News, Sun Reporter, the Bayview, Bay Area Reporter, SF Business Woman, Bay Guardian and the Asian Weekly, as well as on the Department of Human Services website and Purchasing Bid and Opportunities newsletter. Eight quotations were received from qualified contractors on March 13, 2000. DHS reports that Guardsmark was selected because it scored highest based on meeting the needs of the department and its target population. The following table lists the contractors and LBE/WBE/MBE status of the contractor:

Contractor	Quotation	MBE/WBE status
King Security	No Quote	LBE/WBE
F& J Security Patrol	$1,677,548	
Hal Mar Jac, dba McCoy	$2.276,887	LBE/MBE

Contractor	Quotation	MBE/WBE status
Guardsmark	$2,337,475[1]	
Comprehensive Security	$2,538,381	
Arrakis	$2,820,636	
North Star Security	$3,097,640	
Black Bear Security	$3,222,307	LBE/WBE

5. The Contractual Services Cost used for the purpose of this analysis is based on Guardsmark's projected actual costs for FY 2000-2001 of $2,194,869 (See Attachment III A and III B).

6. Ms. Reyes has noted that proposed contract providers were asked to consider, as part of their proposal, the potential implementation of a Living Wage Ordinance during the contract term. The average wage for guards working for McCoy Patrol Services, the current contractor for DHS guard services, is approximately $6.40 per hour. The average wage for guards working under the proposed contract for Guardsmark, the new contractor for DHS guard services, is approximately $9.75 per hour and would include paid training, medical benefits, life insurance, a 401(k) plan, paid vacation and tuition reimbursement.

7. A memorandum from DHS explaining why Guardsmark was selected for the contract is shown as Attachment I to this report.

8. The Controller's supplemental questionnaire with the Department's responses is shown as Attachment II to this report.

9. A memorandum from DHS explaining why Guardmarks' RFP quote was $142,606 higher than the Controller's estimated cost of guard services is shown as Attachment III A and III B to this report.

Recommendation: Approve the proposed resolution.

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[1] This amount is $142,606 more than the Controller's analysis of the cost of guard services for DHS. See Attachment III A and B from DHS for an explanation of the increased cost. In all cases, the quotes include a base security contract and a training component for DHS clients. Proposition J is based only on a core security contract, therefore, the amount shown differs from the contract amount used for the Proposition J comparison.

City and County of San Francisco Department of Human Servi

Office of Contract Management

MEMORANDUM

TO:	Bryce Sutherland, Budget Analyst
FROM:	Esther Reyes, Contracts Manager
DATE:	May 8, 2000
SUBJECT:	**GUARDSMARK**: SELECTION OF CONTRACTOR FOR THE PROVISION OF DEPARTMENTAL SECURITY SERVICES

The purpose of the contract with Guardsmark will be to provide a safe environment for the Department's clients, employees and members of the public. Services will consist of providing assistance and information; maintaining order; deterring intrusion, disputes, theft and vandalism; and responding to emergencies.

Background and Service Description

Guardsmark is a 37-year old, nationally recognized security services firm, employing 14,000 people, 460 in San Francisco alone. Guardsmark was awarded International Organization for Standardization (ISO) 9001 certification in July, making them the first national security service organization to achieve registration for the quality management system of its corporate headquarters in the United States. They have had extensive experience in the field and a 97% client retention rate, providing services to the State of California SF Civic Center Complex, 1650 Mission (which houses DHS staff), the Judicial Council of California, and the San Francisco Museum of Modern Art, as well as banks, schools, hospitals and industrial sites.

Guardsmark has a rigorous employment screening, investigation and validation process to ensure a high-quality, professional workforce. Their emphasis on employment development and learning, including a career development program and an educational tuition assistance refund program, has contributed to an impressive 75% employee retention rate. They employ the latest technology in training and testing, utilizing audio-visual and CD-ROM learning modules. They have also developed an electronic database to track incidents and unusual circumstances, daily electronic reports submitted by security officers for shift-by-shift input, and provide 24-hour dispatch, and pagers and cellular phones for accessibility and timeliness of communications.

Guardsmark's start-up plan will consist of a risk assessment review of each departmental site, conducted by Guardsmark's in-house Technical Services Division; a Mission Partnership Statement, a comprehensive manual providing specific duty instructions, emergency procedures and how services to non- or limited-English speaking clients and

members of the public will be implemented; and a comprehensive, 30-day transition plan to ensure a smooth transition process. As part of this plan and per the San Francisco Municipal Code, all employees who have been employed by the previous contractor for the preceding eight months or longer at the sites covered by the contract, will be retained for a 90 day transition employment period. The Contractor will make good faith efforts to retain as many existing employees as possible, regardless of tenure. The starting wage for security officers will range from $9.50 to $10 per hour with paid training, medical benefits, life insurance, a 401(k) plan, paid vacation and tuition reimbursement.

Source Selection

The Department issued a publicly advertised Request for Proposals in February, 2000. Eight proposals were received. Five of the highest scoring proposers were invited for presentations. Guardsmark received the top scores on both the proposal and presentation components, reviewed by a panel consisting of representatives from DHS, Purchasing, and the San Francisco Police Department. The scores were based upon Guardsmark's extensive background; organizational infrastructure and capacity; and detailed, well conceived action plans for deployment of personnel and equipment, as well as for public contact/access control and 24-hour emergency response. Staff screening, training and retention methods were considered to be exemplary. The proposal and presentation were judged to be the most credible, comprehensive and innovative of all submitted for the panel's review.

Please contact me at 557-5864 if you have further questions. Thank you.

CHARTER 10.104.15 (PROPOSITION J) QUESTIONNAIRE

DEPARTMENT: Human Services

CONTRACT SERVICES: Security Services for Departmental Facilities

CONTRACT PERIOD: 6/1/00 – 6/30/02

(1) Who performed the activity/service prior to contracting out?
This service has always been contracted out since 1976.

(2) How many City employees were laid off as a result of contracting out?
None.

(3) Explain the disposition of employees if they were not laid off.
N/A.

(4) What percentage of City employees' time is spent of services to be contract out?
N/A

(5) How long have the services been contracted out? Is this likely to be a one-time or an ongoing request for contracting out?
The services have been contracted out for 24 years (since 1976). This will be an ongoing request.

(6) What was the first fiscal year for a Proposition J certification? Has it been certified for each subsequent year?
The first fiscal year for a Prop J certification was 1976. It has been certified every contract year or when there has been a contractor change.

(7) How will the services meet the goals of your MBE/WBE plan?
The contract was bid out with the opportunity for HRC preference points for certified MBE/LBE/WBEs. Contractor selection was conducted by a panel including DHS, Purchaser and SFPD representatives in compliance with all City requirements. A diverse staff of minority employees has historically been employed in this service area. The contractor's proposed wages and extensive benefits package (paid training, medical benefits, life insurance, a 401(k) plan, paid vacation and tuition reimbursement) will give these employees benefits and opportunities that had not previously been available.

(8) Does the proposed contract require that the contractor provide health insurance for its employees. Even if not required, are health benefits provided?
Yes, the contract requires provision of employee health insurance.

(9) Does the proposed contractor provide health benefits to employees with spouses? If so, are the same benefits provided to employees with domestic partners? If not, how does the proposed contractor comply with the Domestic Partners ordinance?
The contractor is in compliance with the 12B Ordinance.

Department Representative: Esther Reyes
557-5864

City and County of San Francisco

Department of Human Services

April 27, 2000

Mr. Joe Mantranga
Controller
City and County of San Francisco
City Hall, Room 306
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

RE: Prop. J Approval for Contract Services for 00/01
Security Services for Department of Human Services Facilities

Dear Joe:

Pursuant to our discussion, this memo clarifies that the budget labeled as Appendix B, pg. 4 is the actual 00/01 security services contract budget. As part of this contract, the Contractor, Guardsmark, will also provide an ancillary training/employment program for the Department's CalWORKs and PAES special needs clients consisting of six Department-subsidized, full-time parking attendant slots per year. This ancillary program is intended to provide career opportunities and training for low-income special needs welfare recipients to assist them in making the transition from welfare to work. The clients will receive Contractor assistance in the employment process consisting of ongoing guidance, pre-work assignment training and on-the-job training.

Please call me at 557-5864 if you require further information. Thank you for your assistance.

Sincerely,

Esther Reyes
Contracts Manager

PROPOSER	MBE/WBE status	ANNUALIZED 00/01 PROPOSED CONTRACT AMOUNT*		
		Security Services Only	Client Employment Plan Costs Only**	Total Including Client Employment Plan Costs
Hal Mar Jac Enterprises dba McCoy	LBE/MBE	$2,081,575	$195,312	$2,276,887
F&J Security Patrol		$1,597,846	$79,702	$1,677,548
Arrakis		no budget breakdown	no budget breakdown	$2,820,636
North Star Security Services		$2,873,000	$224,640	$3,097,640
Comprehensive Security Services		no budget breakdown	no budget breakdown	$2,538,381
Black Bear Security Services	LBE/WBE	$2,984,937	$237,370	$3,222,307
King Security Services	LBE/WBE	no amount stated	no amount stated	no amount stated
Guardsmark		$2,194,869	$142,606	$2,337,475

*All proposers were required to provide a budget that broke out costs for providing security services only, costs for client employment only and total costs including client employment plan

**Proposers were required to provide ancillary training/employment program for the Department's CalWORKs and PAES special needs clients consisting of six Department-subsidized, full-time parking attendant slots per year. This ancillary program is intended to provide career opportunities and training for low-income special needs welfare recipients to assist them in making the transition from welfare to work. The clients will receive Contractor assistance in the employment process consisting of ongoing guidance, pre-work assignment training and on-the-job training.

Memo to Finance and Labor Committee
May 17, 2000 Finance and Labor Committee Meeting

Item 17 - File 00-0847

Department:	Police Department (SFPD) Department of Real Estate (DRE)
Item:	Resolution authorizing the lease of real property at 1101 Capp Street for the San Francisco Police Department.
Location:	1101 Capp Street
Purpose of Lease:	Space for the Senior Escort Patrol, Crime Prevention Services (SEP)
Lessor:	Brosnan, Michael and Elizabeth Brosnan, John and Joan
Lessee:	City and County of San Francisco
No. of Sq. Ft. and Cost Per Month:	Approximately 1,925 square feet at $1.70 per square foot per month, for a total of $3,272.50 per month ($39,270 annually). Annual CPI adjustments to the rent will be made at the beginning of each new lease year.
Annual Cost:	$39,270 per year for the first year, subject to annual CPI adjustments in years two through five.
Increase (Decrease) in Cost:	Ms. Rochelle Frazier of SFPD reports that since July 1, 1998 the monthly rent for the approximate 1,925 square feet has remained the same, with no increases, at $1,842.93 per month (approximately $0.96 per square foot per month, or $22,115.16 per year). Under the proposed lease, rent would increase by $1,429.57 per month, from the previous rent of $1,842.93 to $3,272.50 per month ($39,270 annually), a 77.6 percent increase.
Term of Lease:	Five years, commencing retroactively to April 1, 2000 and terminating on March 31, 2005 (See Comment No. 2). The lessee would have two opportunities to cancel the lease by providing notice of intent to vacate 90 days prior to the start of years four or five of the lease.

Right of Renewal: No option for renewal.

Utilities and Janitor Provided by Lessor: The City would be responsible for metered gas and electricity; the landlord would pay for garbage and water service.

Description: The proposed resolution would retroactively approve a five-year lease to provide approximately 1,925 square feet of space for the Police Departments Senior Escort Patrol for a monthly rent of $3,272.50 ($39,270 annually).

According to Ms. Frazier, the SEP has occupied the premises at 1101 Capp Street since July 1, 1991, and has leased the property on a month-to-month basis since the original five-year lease ended on June 30, 1996. According to Ms. Frazier, SEP remained a tenant on a month-to-month basis from July 1996 to June 2000 because a) consolidation of certain police services made vacation of the 1101 Capp Street location a possibility, and b) long term funding for SEP was not assured. SFPD has since made a policy decision to continue SEP, according to Ms. Frazier.

Tenant Improvements: None

Comments:

1. According to Ms. Claudine Venegas of DRE, the proposed rent of $1.70 per square foot, which is a 77.6 percent increase from the previous rent, represents fair market rate.

2. According to Mr. Anthony DeLucchi of DRE, funds for the new lease are available in the Police Department's FY 1999-2000 budget and the Police Department's proposed FY 2000-2001 budget.

3. According to Ms. Venegas, the proposed resolution is retroactive because the landlords requested that the lease be entered into immediately (in order to realize gains from increased rent), and that approval from the Board of Supervisors is therefor sought retroactively. Ms. Venegas states that DRE accommodated this

request because the landlords had experienced significant delays, and had expressed that further delays would result in their solicitation of other tenants.

Recommendation: Approval the proposed resolution is a policy matter for the Board of Supervisors.

Memo to Finance and Labor Committee
May 17, 2000 Finance and Labor Committee Meeting

Item 18 - File 00-0849

Department:	Public Library Department of Real Estate (DRE)
Item:	Resolution authorizing a new lease of real property at 2450 San Bruno Avenue for the San Francisco Portola Branch Public Library.
Location:	2450 San Bruno Avenue
Purpose of Lease:	Space for the Portola Branch Library
Lessor:	Chun Pang Kir, Mei On Kir
Lessee:	City and County of San Francisco
No. of Sq. Ft. and Cost Per Month:	Approximately 3,475 square feet at $1.88 per square foot per month, for a total of $6,533 per month ($78,396 annually).
Annual Cost:	$78,396 per year, for five years. The proposed lease would be subject an annual increase of either via a CPI adjustment, or by four percent, whichever is greater.
Increase (Decrease) in Cost:	Mr. Richard Walsh of the Public Library reports that since July 1, 1995 the monthly rent for the approximate 3,475 square feet has remained the same, with no increases, at $3,405.50 per month ($0.98 per square foot per month, or $40,866 per year). Under the proposed lease, rent would increase by $3,127.50 per month, from the previous rent of $3,405.50 to $6,533 per month (an increase of $32,730 annually, from $40,866 to $78,396), a 91.8 percent increase.
Term of Lease:	Five years, commencing on July 1, 2000 and terminating on June 30, 2005.
Right of Renewal:	The City would have the option to extend the lease for one additional five-year period, at which time the

landlord would adjust the rent to 95% of the prevailing market rate[1].

Utilities and Janitor Provided by Lessor: The City would be responsible for metered gas and electrical, and janitorial service. The landlord would pay for water.

Description: The proposed resolution would approve a five-year lease to provide approximately 3,475 square feet of space for the Portola Branch Library for a monthly rent of $6,533 ($78,396 annually).

According to Mr. Walsh, the previous five year lease for the same space will expire on June 30, 2000. Mr. Walsh advises that the large rent increase is due to changes in the real estate market. The proposed lease is not an extension, but rather an entirely new lease, as the property was recently purchased and is under new ownership.

Tenant Improvements: None

Comments:

1. According to Ms. Claudine Venegas of DRE, the proposed rent of $1.88 per square foot, which is a 91.8 percent increase from the previous rent, represents fair market value.

2. According to Mr. Walsh, funds for the new lease have been included in the Public Library's FY 2000-2001 budget.

3. As a condition of the lease, the landlord will replace the heat and air conditioning unit at the subject property at no cost to the City.

Recommendation: Approve the proposed resolution.

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[1] The method by which the prevailing rate will be determined is described in detail in a standard DRE provision in the lease agreement. According to Ms. Claudine Venegas of DPH, the provision states: (a) that if the parties cannot agree as to the prevailing market rent, each shall select an appraiser, (b) that if the two appraisals differ by less than 10%, the average shall be the prevailing market rent, and (c) that if the appraisals differ by more than 10%, then the appraisers shall select a third appraiser, and the third appraisal shall be averaged with the closer of the two previous appraisals for the prevailing market rent.

Item 19 - File 00-0850

Department:	Department of Real Estate (DRE) Ethics Commission
Item:	Resolution authorizing a lease of 2,998 square feet at 30 Van Ness Avenue to be used as office space for the Ethics Commission.
Location:	30 Van Ness Avenue
Purpose of Lease:	Rental of office space
Lessor:	Herbst Foundation, a non-profit organization
Lessee:	City and County of San Francisco
No. of Sq. Ft. and Cost Per Month:	2,998 square feet at approximately $2.67 per square foot per month or $7,994.67 per month
Annual Cost:	$95,936
Utilities and Services Provided by Lessor:	The Landlord provides (a) janitorial and security guard services, (b) heating, air conditioning, and ventilation during normal business hours, (c) passenger elevator service, (d) electricity for normal business use, including use of personal computers and other office machines, and (e) water for drinking and lavatory.
Term of Lease:	December 1, 2000 through November 30, 2005 (5 years)
Right of Renewal:	Two additional terms of 5 years each
Source of Funds:	FY 2000-2001 Ethics Commission Budget
Description:	The Ethics Commission currently leases 2,551 square feet of office space at 1390 Market Street (Fox Plaza) and the lease will expire November 30, 2000. The owner of Fox Plaza has quoted a lease renewal rate of $45 per square foot per year or $3.75 per square foot per month. Under the quoted lease renewal rate, annual rent would be $114,795 and monthly

rent would be $9,566.25. The Ethics Commission is now proposing to move its offices to 30 Van Ness Avenue. The proposed lease at 30 Van Ness Avenue would be for 2,998 square feet of space at an annual cost of $32 per square foot or $2.67 per square foot per month, totaling $95,936 in annual rent, which is $18,859 or 16.4 percent less than the quoted Fox Plaza lease renewal annual rent of $114,795. On a monthly basis, the proposed lease rate of $2.67 per square foot is 28.8 percent less than the quoted Fox Plaza lease rate of $3.75 per square foot per month.

Comments:

1. According to DRE, the current annual lease rate for 2,551 square feet of office space at Fox Plaza for the Ethics Commission is $34,404, which equals $13.47 per square foot per year or $1.12 per square foot per month. The quoted renewal rate of $45 per square foot per year is $31.53, or 234 percent, more than the current annual rental rate of $13.47 per square foot.

2. In addition to the proposed annual rent of $95,936 to lease 2,998 square feet of space at 30 Van Ness Avenue, the City would pay $25,000 toward the construction of tenant improvements, including installation of a kitchenette and shelving. Total first year costs for rent and tenant improvements would be $120,936.

3. According to Mr. Charlie Dunn of DRE, estimated moving costs are approximately $2.00 per square foot or $5,996 ($2 times 2,998 square feet) and the estimated cost of telecommunications installation is approximately $15,000, for total moving-related costs of $20,996. Total first year costs, including annual rent, moving costs, telecommunications installation, and tenant improvements, are approximately $141,932 ($95,936 rent, plus $5,996 moving costs, plus $15,000 telecommunications installation, plus $25,000 tenant improvements).

4. After November 30, 2001, which is the end of the first year of the lease, in addition to the annual base rent of $95,936, the City would incur additional costs as follows:

(a) The Ethic Commission's share of increased expenses for the whole building, which equals 1.68 percent of such increased expenses (2,998 square feet divided by 178,128 square feet, the total rentable square feet in the building).

According to Mr. Dunn, such increased building expenses would include increases in property taxes, insurance, and other increased costs that affect the building as a whole.

(b) The Ethic Commission's share of increased expenses for office expenses, which equals 1.86 percent of such increased expenses (2,998 square feet divided by 160,768 of rentable office space). According to Mr. Dunn, such increased office expenses would include increased costs for janitorial and security guard services, garbage collection, electricity and other increased operating costs.

5. The proposed lease agreement also provides that the City shall reimburse the landlord for electrical improvement costs exceeding $23,984 and mechanical improvement costs exceeding $23,984, in addition to the City's reimbursement of $25,000 to the landlord for tenant improvement costs. Mr. Dunn states that any electrical or mechanical improvements, in addition to such improvements provided for in the subject lease and in excess of $23,984 for each improvement, would be at the request of the City.

6. After expiration of the subject lease on November 30, 2005, the City would have the option to renew the lease for an additional 5 years. If the City were to renew the subject lease, beginning on December 1, 2005, the annual base rent would be adjusted upward by the ratio of the Consumer Price Index (CPI) in the adjustment year to the CPI in the beginning year. The base rent would not be adjusted downward if the adjustment year CPI were less than the beginning year CPI. Additionally, the City would have the option to renew the subject lease for a second 5-year renewal term, beginning on December 1, 2010, for a rental rate equal to 95 percent of the fair market value at that time.[1]

Recommendation: Approve the proposed resolution.

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[1] The method by which the prevailing rate would be determined is described in detail in a standard DRE provision in the lease agreement. According to Ms. Claudine Venegas of DRE, the provision states: (a) that if the parties cannot agree as to the prevailing market rent, each shall select an appraiser, (b) that if the two appraisals differ by less than 10%, the average shall be the prevailing market rent, and (c) that if the appraisals differ by more than 10% then the appraisers shall select a third appraiser, and the third appraisal shall be averaged with the closer of the two previous appraisals for the prevailing market rent.

Item 22 - File 00-0040

1. This hearing is to consider the financial condition of the San Francisco Unified School District, including a district staff overview of estimated local, state and federal revenues and anticipated expenditures. The following is an analysis prepared by the Budget Analyst which addresses the financial condition of the District and summarizes the internal control weaknesses identified in 1) the FY 1998-1999 Single Audit Report prepared by Deloitte and Touche and 2) the Comprehensive Fiscal Assessment prepared by the State Fiscal and Crisis Management Assistance Team.

Financial Condition of the San Francisco Unified School District

2. On March 29, 2000, Deloitte and Touche issued its single audit report on the District for FY 1998-1999. The audit report on the District's FY 1998-1999 general purpose financial statements was unqualified but the auditor's opinion emphasized a the Note to the General Purpose Financial Statements concerning the appointment of the State Fiscal Crisis and Management Assistance Team. The general purpose financial statements state that at June 30, 1999, the District's reserve for economic uncertainty exceeded the State required two percent reserve requirement.

3. The State Fiscal and Crisis Management Assistance Team (FCMAT) appointed by the Governor (see further discussion below) was assigned the task of assessing whether the District is capable of meeting its fiscal obligations for the current and two subsequent fiscal years. Accordingly, the FCMAT prepared a multi-year projection to determine the solvency of the District for Fiscal Years 1999-2000, 2000-2001, and 2001-2002. Using conservative economic assumptions and estimates that include step adjustments for all employee groups but does not include merit or promotional salary increases, the FCMAT multi-year projection forecasts a positive ending balance that exceeds the District's required two percent economic uncertainty reserve requirement. However, the FCMAT also points out the declining enrollment trends identified in the projections. They stress that "this enrollment trend, coupled with any modest salary increase, could place the district in a precarious fiscal position." As such, they stress the need for the District to put a procedure in place to update these projections at each Interim report (required on October 31 and January 31 of each year), or at any time underlying assumptions change.

Summary of Internal Control Weaknesses Identified

4. FY 1998-1999 Single Audit Report (Deloitte and Touche)

Summary of Findings and Recommendations

On March 29, 2000, Deloitte and Touche issued its single audit report on the District for FY 1998-1999. The audit report on the District's FY 1998-1999 general purpose financial statements was unqualified but the auditor's opinion emphasized a the Note to the General Purpose Financial Statements concerning the appointment of the State Fiscal Crisis and Management Assistance Team. Additionally, Deloitte and Touche identified four material weaknesses with regard to the District's internal control over its financial reporting and operations. A summary of Deloitte and Touche's findings follows.

a. Weaknesses in the accounting and finance function

- The District's accounting and finance function was adversely affected by the conversion to a new financial information system, weakened internal controls, and the September 1999 departure of the Chief Financial Officer.
- The year-end closing process was neither timely nor efficient. After first attempting to close its books in September of 1999, over 200 post-closing adjustments forced the District to close its books again in January of 2000. Additional significant adjustments were still required after that second closing. This resulted in the State Superintendent of Public Instruction appointing the Fiscal and Crisis Management Assistance Team (FCMAT) as an expert fiscal advisor to the District (see below).
- The lack of a timely closing did not allow for adequate management review of the year-end financial statements or account analyses.
- There was limited oversight and review of significant journal entries.
- There are significant delays and problems in reconciling key accounts, such as cash and payroll accounts, and with posting and reconciling Federal and State revenue.
- The accounting for capital project retentions was incorrect.
- There was insufficient oversight of capital project escrow accounts.
- There were errors in accounting for encumbrances at year-end.

Deloitte and Touche recommended that the District re-engineer its accounting and finance function in order to (a) increase the quantity and quality of its accounting staff, (b) implement a more formal risk analysis review process, (c) assign financial reporting responsibility to an appropriately qualified staff member, and (d) develop appropriate documentation support for financial statements.

The District responded that it was undertaking the following initiatives:

√ It was hiring a financial management expert to assist with staff evaluation, internal controls, and staff development.
√ It had hired a Director of Fiscal Services to oversee and restructure the accounting and budget operations.
√ It was establishing an internal audit function to enhance accountability, and was developing standards for the financial division.

b. Lack of timely account reconciliations and analyses

- The District had difficulty reconciling cash and other significant accounts on a timely basis, opening up the possibility that material errors and fraud could occur and not be detected within a reasonable period of time.
- No bank reconciliations were completed for the commercial checking account in FY 1998-1999.
- Only one payroll account reconciliation was performed in FY 1998-1999.
- The Payroll Trust Fund was not reconciled in either FY 1997-1998 or FY 1998-1999.

Deloitte and Touche recommended that the District establish a formal monthly and annual closing process which ensures that all significant accounts are reconciled and analyzed on a timely basis.

The District responded that the new Director of Fiscal Services would oversee implementation of accurate and timely reconciliations and reporting requirements by no later than June 30, 2001.

c. Employee personnel files

- Poor maintenance of employee personnel files.
- Of 460 files tested, 16 (3.5%) files could not be located. Further, the auditors were unable to verify the existence of six of the employees whose personnel files were sampled.
- There were 66 employees paid at incorrect rates.
- The auditor was unable to verify the appropriate fund source or program allocation in 69 files.

Deloitte and Touche recommended that the District establish a formal policy to ensure centralized organization of employee personnel files, clear documentation of pay rates and fund/program allocations, and periodic reviews for accuracy and completeness. It also recommended electronic back-up files. Deloitte and Touche made a similar recommendation to the District in their prior year report, however no corrective actions were taken.

The District responded that it would hire a Records Manager to implement these recommendations by June 30, 2002.

d. User access privileges

- User access privileges to salary and personnel information is not limited to key payroll and human resources staff.
- There are no sign-offs which track who makes what entries and there is no management review of salary input.

Deloitte and Touche recommended that the District limit user access privileges to key personnel and that the District documents its user access responsibilities. Deloitte and Touche made the same recommendation to the District in their prior year report, however no corrective actions were taken.

The District responded that it would implement these recommendations by April 30, 2000.

5. State Fiscal and Crisis Management Assistance Team (FCMAT)

Summary of Findings and Recommendations

a. The Governor and the State Superintendent of Public Instruction requested FCMAT to conduct a comprehensive assessment of the District's financial condition and fiscal practices between July of 1999 and April of 2000. The FCMAT is comprised of permanent FCMAT staff, part-time consultants, independent certified public accountants and professionals with specifically directed expertise (such as management information systems expertise). FCMAT assessed the District in terms of (a) its financial and budgetary condition, (b) its internal controls, (c) the implementation of its new management information system, and (d) multi-year projections to determine its solvency for Fiscal Years 1999-2000 through 2001-2002. In December of 1999, during the course of the FCMAT study, the Superintendent of Public Instruction also appointed FCMAT as an expert fiscal advisor to assist the District to close its 1998-1999 books. Furthermore, the District's external audit report, which should have been submitted by December 15, 1999, was not submitted until March 31, 2000, and District's budget office staff did not perform any significant monitoring for the 1999-2000 budget.

b. In its April 17, 2000 report, FCMAT assessed the District as financially solvent for FY 1999-2000, but questioned the District's capability to prudently manage its resources and uphold its fiduciary responsibility. FCMAT reported that the District "is having great difficulty in meeting basic industry and legal standards

relative to the district's financial operations and that the district's management information system functions at an unacceptably low level."

c. FCMAT's internal control review covered financial transactions, policies, and procedures in 16 areas and identified, in general, an internal control structure that is materially deficient. Additionally, FCMAT found that there is a substantial lack of internal control consciousness in the District. These weaknesses result in inefficient and ineffective operations in the District, provide unreliable and untimely financial information and may result in violations of laws and regulations.

d. FCMAT identified 24 areas that have "material weaknesses." These are internal control deficiencies that could permit errors, fraud or abuse, or violations of laws or regulations. Because of such weaknesses, employees performing normal duties may not be able to detect errors within a timely period. The material weaknesses are summarized as follows:

- The Board of Education is not receiving adequate information and in some cases staff have not submitted legally required documents to the Board for approval.
- Financial technical and leadership skills in the District are deficient.
- Weaknesses were identified in accounting for encumbrances, construction retention, suspense accounts, and more than 40 capital projects supported by the State School Building Fund.
- The District budget does not meet the requirements of the Education Code or other standards for a clear, concise, and comprehensive budget and has technical errors. Further, there was no significant monitoring of the 1999-2000 budget and budget staff are not properly supervised or trained.
- There are not adequate controls in place to ensure that paychecks are accurate, that payroll deduction payments and reconciliations are timely and accurate, or that user access privileges to salary and budget information is limited to appropriate personnel.
- There are missing, incomplete, and inadequately documented personnel files.
- There is no centralized purchasing function, no controls to ensure proper approval and coding of purchases, no separation of duties between the purchasing and payment functions, and public projects are not being appropriately bid.
- There are not adequate controls in place to ensure that personal services contracts are appropriately classified as independent contractors.
- Bank account reconciliations are not being performed on a monthly basis.
- District employees funded from federal programs are not maintaining time documentation required by OMB A-87.

- The District is not using the appropriate form to prepare the closing entries for all Federal and State categorical funding, resulting in errors in the District's financial statements.
- Cash receipts and disbursements in Associated Student Body accounts are not being properly accounted for and/or controlled.
- The District does not maintain information on fixed assets that meets Generally Accepted Accounting Principle requirements, the Education Code, or Title 34 of the Code of Federal Regulations.
- The attendance records for the community school program were incomplete.

e. FCMAT identified an additional 18 areas that have "reportable conditions." These are significant deficiencies in the design or operation of an internal control that could adversely affect the District's ability to record, process, summarize, and report financial data. These reportable conditions were identified in the following nine areas of the 16 areas that were reviewed by FCMAT: general financial, budgeting, payroll, revenues, cash management, categorical management and accounting, construction accounting, cafeteria accounting and Associated Student Body.

f. FCMAT also identified 13 areas requiring "management improvements." These are suggestions for improving District operations to conform to best practices. These management improvements were identified in the following eight areas of the 16 areas that were reviewed by FCMAT: general financial, accounting, personnel, purchasing and contracts, disbursements, debt management, cafeteria accounting and Associated Student Body.

g. Significant additional findings identified by FCMAT are as follows:

- Key accounting and budgeting staff do not demonstrate the necessary skills, training, and leadership to perform competently and ensure the District's financial information will be accurate and timely.
- Records are not maintained in an orderly manner and it is often difficult to find support for District transactions. For example, the fiscal year-end closing checklist did not have any entries to indicate that any steps in the year-end closing had been completed. Such inadequate documentation for accounting transactions had led to numerous errors in the closing entries for Federal and State programs.
- The new District management information system functions at a very low level and staff are inadequately trained to use it. That system's general ledger produces only one general ledger report. Other necessary system functions either perform at a very low level or have never been implemented.
- Insufficient internal system security means that (a) user access privileges to salary and budget information is not limited to key human resources and budget personnel, and (b) payroll department staff could change the

information on the pay screen for any employee without a checks and balance system in place.

6. Deloitte and Touche reported that the State Superintendent of Public Instruction has considerable latitude in determining the extent of action steps, if any, to be taken as a result of the findings contained in FCMAT's report. Such action steps could range from taking no further action to the State assuming direct control of the District.

District response

7. Ms. Linda Davis, Interim Superintendent of the San Francisco Unified School District, advises that she will brief the Finance and Labor Committee at its May 17, 2000 meeting on the District's response to the findings of both the Deloitte and Touche and FCMAT reports.

Comments of Budget Analyst

1. As verified by Ms. Peg Stevenson in the Controller's office, in FY 1999-2000, the City provided the District with General Fund monies in the amount of $2,913,315 for the following uses:

Program (and Source of Funding)	Sub-total	Budget
SFUSD County Education Office[1]		
SFUSD Sports Program (Stadium Admissions Tax/General Fund)	$1,056,000	
SFUSD Music Program (Children's Baseline)	600,000	
Administration (General Fund)	65,315	
Less work order recoveries	(15,000)	
		$1,706,315
Elementary Arts Education Program (one-time funding from the General Fund Reserve)		657,000
Lincoln and Galileo High Schools Wellness Centers (Department of Children, Youth, and Their Families)		550,000
TOTAL:		**$2,913,315**

[1] In accordance with the City Charter and the State Education Code, the City is required to compensate seven members of the Board of Education, pay a portion of the County Superintendent's salary, pay for related mandatory fringe benefits, and pay for materials and supplies required by the Superintendent of Schools. The SFUSD County Education Office budget includes these amounts.

2. Both Deloitte and Touche and FCMAT identified material weaknesses in the internal controls of the District. FCMAT reviewed financial transactions, policies and procedures in 16 separate functions in the District and identified 24 separate material weaknesses in 13 of those areas. As previously defined, material weaknesses are control deficiencies that could permit undetected errors, fraud or abuse, as well as noncompliance with laws and regulations. As such, each individual material weakness is considered to be a serious deficiency in its own right, leaving the District financially vulnerable.

3. In the professional judgement of the Budget Analyst, the large number of material weaknesses identified and the fact that they are prevalent across a wide number of functions in the District point to extensive and systemic problems in the financial management and control of the District. Based upon information provided in the two reports, it is likely that these problems developed over the course of several years, and may have been exacerbated by the exit of key personnel and poor implementation of crucial financial systems.

4. Given the current circumstances, the Budget Analyst concludes it will take time for the extensive improvements required to the District's financial operations. An immediate improvement in staff competency through training is essential, as is proper supervision and review of the work of the staff. In addition to ensuring that the various functions are appropriately staffed with competent personnel whose work is properly supervised and reviewed, financial management's major challenge will be the implementation of a fully functioning financial information system and the establishment of District financial policies and procedures that will create an appropriate internal control environment in the District. Such improvements will require extensive planning to ensure that all issues are appropriately addressed, and then the improvement plan will take time to implement.

Harvey M. Rose

Supervisor Yee
Supervisor Bierman
President Ammiano
Clerk of the Board
Controller
Steve Kawa

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City and County of San Francisco
Meeting Minutes
Finance and Labor Committee

Members: Supervisors Leland Yee, Sue Bierman, Tom Ammiano

Clerk: Mary Red

Wednesday, May 24, 2000 | **10:00 AM** | **City Hall, Room 263**

Regular Meeting

Members Present: Leland Y. Yee, Sue Bierman, Tom Ammiano.

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Meeting Convened

The meeting convened at 10:16 a.m.

000574 **[Fire Code - Increase Fees for Services]**

Ordinance amending Part II, Chapter IV of the San Francisco Municipal Code (Fire Code) by amending Section 106 to increase fees for services and by amending Article 90 to require fire pumps to be capable of operating on emergency power. (Fire Department)

(Amends Section 106 and Article 90.)

4/12/00, RECEIVED AND ASSIGNED to Finance and Labor Committee.

5/10/00, CONTINUED. Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Supervisor Yee; Assistant Deputy Chief Garry Massetani, Fire Marshall; Captain Tom Harvey, Fire Department; Ken Bruce, Budget Analyst's Office; Cathy Brandhorst. Continued to May 24, 2000.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Assistant Deputy Gary Massetani, Fire Department.

RECOMMENDED by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

000771 **[Government Funding - Assessor's Office]**

Ordinance appropriating $315,167 from the General Fund Reserve for litigation and mediation expenses associated with the VIACOM assessment appeal for the Assessor's Office for fiscal year 1999-2000. (Controller)

(Fiscal impact.)

4/26/00, RECEIVED AND ASSIGNED to Finance and Labor Committee.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Doris Ward, Assessor; Supervisor Yee; Gloria Young, Clerk of the Board; Dawn Duran, Administrator, Assessment Appeals Board; Peter Fatooh, President, Assessment Appeals Board; Supervisor Ammiano. Amendment of the Whole to reduce amount of General Fund Reserve as a source of funds by $30,280.

AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE.

Ordinance appropriating $284,887 from the General Fund Reserve for litigation and mediation expenses associated with the VIACOM assessment appeal for the Assessor's Office for fiscal year 1999-2000. (Controller)

(Fiscal impact.)

RECOMMENDED AS AMENDED by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

000772 **[Government Funding - Laguna Honda Hospital]**

Ordinance appropriating $9,243,481 of Tobacco Settlement Funds for architectural, engineering and construction costs for the Laguna Honda Hospital Project, for fiscal year 1999-2000. (Controller)

(Fiscal impact.)

4/26/00, RECEIVED AND ASSIGNED to Finance and Labor Committee

Heard in Committee Speakers Harvey Rose, Budget Analyst, Michael Lane, Department of Public Works, Janet Overbow, Center of Independent Living, Larry Funk, Administrator, Laguna Honda Hospital Amendment of the Whole placing $3,371,740 on reserve

AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE.

Ordinance appropriating $9,243,481 of Tobacco Settlement Funds for architectural, engineering and construction costs for the Laguna Honda Hospital Project, for fiscal year 1999-2000, placing $3,371,740 on reserve. (Controller)

(Fiscal impact.)

RECOMMENDED AS AMENDED by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

000773 **[Government Funding - City Attorney]**

Ordinance appropriating $1,139,504 from the General Fund Reserve to fund salaries, fringe benefits, and professional and expert services for litigation of San Francisco Business Tax cases, for the City Attorney, for fiscal year 1999-2000. (Controller)

(Fiscal impact.)

4/26/00, RECEIVED AND ASSIGNED to Finance and Labor Committee

Heard in Committee Speakers Harvey Rose, Budget Analyst, Ted Lakey, City Attorney, Supervisor Ammiano, Susan Leal, Treasurer, Kim Manolius, Deputy City Attorney, Supervisor Yee, Steve Kawa, Mayor's Budget Office. Amendment of the Whole to reduce the amount of General Fund Reserve as a source of funds by $167,292

AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE.

Ordinance appropriating $972,212 from the General Fund Reserve to fund salaries, fringe benefits, and professional and expert services for litigation of San Francisco Business Tax cases, for the City Attorney, for fiscal year 1999-2000. (Controller)

(Fiscal impact.)

RECOMMENDED AS AMENDED by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

000774 **[Government Funding - Sheriff Department]**

Ordinance appropriating $4,901,934, including $2,142,114 from the General Fund Reserve, $2,500,000 from the Jail Overcrowding Reserve, $9,820 from State Mandated Cost Revenues, and $250,000 from City Hall Special Event Revenue to fund workers' compensation, residential treatment beds, costs associated with the new defendant tracking systems and the creation of one (1) position for the Sheriff Department, for fiscal year 1999-2000. (Controller)

(Fiscal impact; Companion measure to File 000787.)

4/26/00, RECEIVED AND ASSIGNED to Finance and Labor Committee.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Michael Hennessey, Sheriff; Supervisor Ammiano; Supervisor Yee; Supervisor Bierman. Amendment of the Whole to reduce the amount of funding by $206,837 which includes $197,017 from General Fund Reserve and $9,820 State Mandated Cost Revenues for one position.

AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE.

Ordinance appropriating $4,695,097, including $1,945,097 from the General Fund Reserve, $2,500,000 from the Jail Overcrowding Reserve, and $250,000 from City Hall Special Event Revenue to fund workers' compensation, residential treatment beds, costs associated with the new defendant tracking systems, for fiscal year 1999-2000. (Controller)

(Fiscal impact)

RECOMMENDED AS AMENDED by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

000787 **[Salary Ordinance Amendment No. 4, creation of one (1) Class 8304 Deputy Sheriff position]**

Ordinance amending Ordinance No. 209-99 (Annual Salary Ordinance, 1999-2000) reflecting the creation of one (1) position for the Sheriff's Office. (Human Resources Department)

(Companion measure to File 000774.)

4/26/00, RECEIVED AND ASSIGNED to Finance and Labor Committee.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Michael Hennessey, Sheriff; Supervisor Ammiano; Supervisor Yee; Supervisor Bierman.

TABLED by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

000775 **[Government Funding - Fire Department]**

Ordinance appropriating $2,249,123 from the General Fund Reserve, $500,000 from Fire Department Permit Fee Revenues, and rescinding and reappropriating $1,270,259 from the departmental lease purchase budget, to fund salaries, overtime, fringe benefits, workers' compensation, uniforms and protective clothing at the Fire Department, for fiscal year 1999-2000. (Controller)

(Fiscal impact.)

4/26/00, RECEIVED AND ASSIGNED to Finance and Labor Committee.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Deputy Chief Debacco, Fire Department; Debra Ward, Chief Financial Officer; Supervisor Yee; Ken Bruce, Budget Analyst's Office; Supervisor Ammiano. Amendment of the Whole to reduce the amount of General Fund Reserve as a source of funds by $341,000.

AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE.

Ordinance appropriating $1,908,123 from the General Fund Reserve, $500,000 from Fire Department Permit Fee Revenues, and rescinding and reappropriating $1,270,259 from the departmental lease purchase budget, to fund salaries, overtime, fringe benefits, workers' compensation, uniforms and protective clothing at the Fire Department, for fiscal year 1999-2000. (Controller)

(Fiscal impact.)

RECOMMENDED AS AMENDED by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

000779 **[Government Funding - San Francisco General Hospital]**

Ordinance appropriating $10,000,000 from the General Fund Reserve to cover a revenue shortfall at San Francisco General Hospital in the SB855 Disproportionate Share Payment Program, for fiscal year 1999-2000. (Controller)

(Fiscal impact.)

4/26/00, RECEIVED AND ASSIGNED to Finance and Labor Committee

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Monique Zmuda, Department of Public Health; Supervisor Yee. Amendment of the Whole reducing the amount requested from General Fund Reserve by $59,243.

AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE.

Ordinance appropriating $9,940,757 from the General Fund Reserve to cover a revenue shortfall at San Francisco General Hospital in the SB855 Disproportionate Share Payment Program, for fiscal year 1999-2000. (Controller)

(Fiscal impact.)

RECOMMENDED AS AMENDED by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

000840 **[Airport concession lease of the Domestic Banking Services (Bank of America) at a minimum rent for the first year of $261,000]**

Resolution approving Domestic Banking Services lease in the North, Central and South Terminal Buildings between Bank of America, National Association and the City and County of San Francisco, acting by and through its Airport Commission. (Airport Commission)

5/3/00, RECEIVED AND ASSIGNED to Finance and Labor Committee

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Jon Ballestros, Airport; Supervisor Ammiano; Ted Lakey, Deputy City Attorney. Amendment of the Whole providing Proposition F conditions.

AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE.

REFERRED WITHOUT RECOMMENDATION by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

990252 **[Living Wage Ordinance]**

Supervisors Ammiano, Bierman

Ordinance amending the Administrative Code by adding Chapter 12N (Sections 12N.1 through 12N.13) to provide that a prescribed minimum level of compensation (A "Living Wage") be paid to certain employees of parties who enter into contracts for the exclusive use of property owned by the City and County and to certain employees of parties who enter into contracts for the exclusive use of property owned by the City and County; adds Section 20.58.6 to provide that the number of hours of services required of general assistance recipients who are performing services in order to maintain eligibility shall be calculated using the living wage; adds Section 20.77.6 to provide that the maximum number of hours of services required of persons who are performing services in order to maintain eligibility for the monthly PAES stipend shall be calculated using the living wage; and adding Section 70.11 to provide that employees of the In-home Supportive Services Public Authority be paid the living wage.

(Fiscal impact; Adds Sections 12N.1 through 12N.13, 20.58.6 and 20.77.6.)

2/17/99, RECEIVED AND ASSIGNED to Finance and Labor Committee.

3/6/99, CONTINUED. Heard in Committee. Speakers: Father Peter Sammon; Nettie Ceasar; Danny Elvena; Bernadine Emperodor; Garth Gandy, People Organized for Employment Rights (POWER); Martina Gills; Josie Mooney; Bob Planthold; Nancy Lewis, RN; Lucille Flato; Khilil Ali; Lester Martin; Darriel Loggins; Arthur Campagna; Hank; Robert Boileau; Jim Illig; Pat Breslin; Shirley Bierly, Council for Older Americans; David Novogrodsky; Julia Lopez; Sam Sui; Garrett Jenkins; Frederick Hobson; Milissa Bowen; Mikki Ellis; Stan Thomson, POWER; Raymond Liu; Walter Johnson, S.F. Labor Council; Rand Quinn, Coalition for Immigrant Rights, Richard Klinke; Jonathan Beauer; Charles Andrew; Ricardo Brooks Alba; Richard Ow; Dorothy James; Ed Williard; Marvin Warren, Fred Pecker; Dennis Kelly; Tim West; Denise D'Anne; Dawn Moore; Alma Santana; Criss Romero, Harvey Milk Democratic Club; Bill Price, President Senior Action Network; Erlinda Villa; Anna Sanchez, Richard Leung; Kent Mitchell, Jonathan Perez; Steven Curria; Margaret Hanlon-Gradie. Supervisor Bierman added as cosponsor. Continued to March 18, 1999.

3/18/99, CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speakers: Rosie Byers, Homecare Worker; Ana Maria Loya, Director, LaRaza Centro Legal; Gary Atienza, Security Guard; Eric Mar, Director, Northern California Coalition for Immigrant Rights; Anuradha Mittal, Policy Director, Food First; Laura Trupin, UCSF; Steve Collier, Tenderloin Housing Clinic; Tom Van Dyke; Managing Director of Investments, U.S. Bank/Piper Jaffray; Dr. Rajiv Bhatia, Division of Population Health and Prevention, Department of Public Health; Bob Ow; Catherine Raza, Homecare Workers; Deirdre Keane, Full-time Student; Erica Schoenberger, John Hopkins; Mark Gleason; Mario Flores; Vera Haile, In-Home Supportive Services; Tim West, Local 1877; Bruce Allison, Disabled; Kay Walker, SEIU; David Giesen; Erin McClary; Conny Ford; Marylouise Lovett, Women's Forum; Mikki Ellis; Ron Dicks, Local 21, Wade Hudson, Blair Fuller, Writer; Elva Cross-Garrett, Local 535; Howard Williams, Bike Messenger; Cleve Farondi; Juan Flores; Erin Morra; Mr. Verrt, Taxicab Workers Union; Mrya Lopez; Mike Doolin, Rental Car Employee; Chris Romero, Harvey Milk Democratic Club ; Christine Gaddi, Student Union 205, City College of San Francisco; Rosana Majica; Bob Ulreich, Museum of Modern Art; Robert O'Malley; Elveta Stewart; Yolanda Catzalco; Elizabeth Boardman, Adult Day Health Center; Sally Buchman; Rua Graffis, Taxicab Driver; Eduardo Capillong; Louis Fiammetta; Reg O'Hare; Michael Butler; Security Guard; Daisy, Exotic Dancer's Alliance; Larry Edmund; Jason Broom.

5/3/99, SUBSTITUTED. Supervisor Ammiano presented a living wage ordinance.

5/3/99, ASSIGNED UNDER 30 DAY RULE to Finance and Labor Committee, expires on 6/2/1999.

2/22/00, SUBSTITUTED. Submitted by Supervisor Ammiano in Board.

2/22/00, RECEIVED AND ASSIGNED to Finance and Labor Committee.

5/3/00, CONTINUED. Heard in Committee. Speakers: Supervisor Ammiano; Brian Murphy, Professor, S. F State College, Michael Reich, Professor, U. C. Berkeley; Jim Illig, Chair, Living Wage Task Force; Rajiv Bhatia, M.D., Department of Public Health; Juanita Miles, Commission on the Status of Women; David Curto; Department of Human Services; Calvin Welch, Living Wage Task Force; Jim Mathias, S.F. Chamber of Commerce; Jo Lynne Lockley, Glynn Washington, Human Services Network; Kathleen Harrington, Golden Gate Restaurant Association (GGRA); Lara Truppelli, Beach Chalet; Patricia Breslin, GGRA; Amy Pompei, Pompei Grotto, George Lyons; Brian; Robert Wellbeloved; Betelnut Restaurant; Paul Lazzareschi; Robert O'Malley, Living Wage Coalition, Steven Cornell, Council of District Merchants (CDM); Chris Ditthafer, (CDM); Berry; Tom Creedon, Scoma's Restaurant, Laura Fraum; Mariann Costello; Helen Hobbs, Tia Margarita; Colleen Meharry, Ms. Brown's Restaurant; Mark Mosher; Rolf Mueller (CDM), Supervisor Bierman. Continued to May 24, 2000.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Supervisor Ammiano; Father Ignatius, St. Anthony's Church; Agar Jaicks; Richard Ow; Dorothy Wong, S.F.G.H.; Sister Bernie Galvin; Diane Verze-Reeher; Kaira Esponoza; Emma Harris, POWER; Sister Kathleen Healey, St. Teresa's Church; John Dean; Sam Siu, Local 87; Jane Morrison, S.F. Tomorrow; Norberto Martinez, Central American Resource Center; Libby Kiser; Marylouise Lovett; Dawn Moore; Rich Marquez, Multi-Service Center North; Burnett Raven, Airport; Qunzena Bell; Garnett Jenkins; Ken Westley; Bruce Jones, Jr.; Gordon Mar, Willie Williams; Kirsten Moller; Joseph Bolden, Poor Magazine; Moura Borisoua.

CONTINUED TO CALL OF THE CHAIR.

000841 **[Reimbursement from Bond proceeds for costs incurred in the construction and improvements to the California Academy of Sciences]**

Resolution declaring the intent of the City and County of San Francisco to reimburse certain expenditures from proceeds of future indebtedness; and approving and ratifying previous actions. (Mayor)

5/3/00, RECEIVED AND ASSIGNED to Finance and Labor Committee

Heard in Committee. Speakers: Harvey Rose, Budget Analyst, Steve Kawa, Mayor's Budget Office

RECOMMENDED by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

000842 **[Reserved Funds, Port of San Francisco]**

Hearing to consider release of reserved funds, Port of San Francisco (San Francisco Harbor Operating Funds: File 101-96-19, Ordinance No. 470-96), in the amount of $202,900 to fund the Agricultural Building East Entry Stair Replacement project. (Port)

5/2/00, RECEIVED AND ASSIGNED to Finance and Labor Committee

Heard in Committee. Speakers: Harvey Rose, Budget Analyst, Veronica Sanchez, Port

APPROVED AND FILED by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

000629 **[Carrousel Fees]**

Supervisor Brown

Ordinance amending Part II, Chapter VI of the San Francisco Municipal Code (Park Code) to set fees for rides on the Golden Gate Park Carrousel at $ 25 for children and $1 50 for adults, which keeps the fee for children at its current level and raises the fee for adults from $1.00 to $1.50.

(Amends Section12.09)

4/10/00, ASSIGNED UNDER 30 DAY RULE to Finance and Labor Committee, expires on 5/10/2000

Heard in Committee. Speakers: Harvey Rose, Budget Analyst, Chris Mack, Recreation and Park Department, Supervisor Yee.

RECOMMENDED by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

000851 **[Renewal of lease for the City Attorney at Fox Plaza, 1390 Market Street]**

Resolution authorizing a lease renewal for approximately three floors of space at 1390 Market Street for the City Attorney for a term of seven years. (Real Estate Department)

5/3/00, RECEIVED AND ASSIGNED to Finance and Labor Committee.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst, Tony DeLucchi, Real Estate Department, Supervisor Yee.

RECOMMENDED by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

000848 **[Lease of the Ingleside Branch Library subject to Conditional Use approval from the Planning Department currently being processed]**

Resolution authorizing the lease of real property at 1649 Ocean Avenue for the San Francisco Ingleside Branch Public Library. (Real Estate Department)

5/3/00, RECEIVED AND ASSIGNED to Finance and Labor Committee.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Tony DeLucchi, Real Estate Department.

RECOMMENDED by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

000795 **[Quitclaim of 36,400 sq. ft. parcel of land that the City holds title as a trustee of the State of California, to S.F. Unified School District]**

Resolution approving the transfer of title to the real property located at 1950 Mission Street, San Francisco from the City and County of San Francisco to the San Francisco Unified School District. (Real Estate Department)

4/28/00, RECEIVED AND ASSIGNED to Finance and Labor Committee.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Tony DeLucchi, Real Estate Department; Ted Lakey, Deputy City Attorney.

RECOMMENDED by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

000601 **[Tobacco Settlement - Prevention and Control]**

Supervisor Newsom

Hearing to consider Proposition A funds for tobacco prevention and control.

4/3/00, RECEIVED AND ASSIGNED to Finance and Labor Committee.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Ginger Smiley, Department of Public Health; Carol McGruder, Tobacco Free Project; Kirk Kleinschmidt, American Heart Association; Pamela Johnson, Booker T. Washington Center; Karen Licavoli, American Lung Association; Harvey Rob.

FILED by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

ADJOURNMENT

The meeting adjourned at 1:30 p.m.

[Budget Analyst Report]
Susan Hom
Main Library-Govt. Doc. Section

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CITY AND COUNTY OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642
FAX (415) 252-0461

May 18, 2000

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TO: Finance and Labor Committee

FROM: Budget Analyst

SUBJECT: May 24, 2000 Finance and Labor Committee Meeting

Item 1 - File 00-0574

Note: This item was continued by the Finance and Labor Committee at its meeting of May 10, 2000.

Department: Fire Department

Item: Ordinance amending Part II, Chapter IV, of the San Francisco Municipal Code (Fire Code) by amending Section 106 to increase fees for services and by amending Article 90 to require fire pumps in buildings 200 feet (approximately 20 stories) or more in height to be capable of operating on emergency power.

Description: Section 106.18 of the Fire Code requires that the Chief of the Fire Department, no later than April 1st of each year, file a report with the Controller concerning "the revenues received from each type of fee collected by the Fire Department, the costs, both direct and indirect, incurred in providing the services for which the fee is assessed, the anticipated costs for the ensuing Fiscal Year and the rates which would be necessary to support such cost for each type of fee." Section 106.18 further specifies that the Controller shall file the report with the Board of Supervisors by no later than May 15th of each year, and that "the Board of Supervisors shall, by ordinance, establish or adjust the rates for any Fire Department fees." Section 106.18 also specifies that "The rates set

shall be equal to, but not greater than, the rates necessary to support the costs of providing the services for which each fee is assessed."

The proposed ordinance would increase Fire Department inspection fees and plan review service fees, as shown in Attachments I and II to this report provided by the Fire Department, by amounts ranging from a five percent increase to a 32.1 percent increase. According to the Fire Department, the weighted average of the fee increases is six percent.

Approval of the proposed ordinance would also amend Article 90-Standards of the Fire Code by amending Section 9001.1.2, which governs requirements for water supply pumps in buildings 200 feet or more in height above the lowest level of Fire Department vehicle access (normally, ground level). Section 9001.1.2 currently specifies that such buildings shall have a minimum of two fire pumps, and further specifies the technical requirements of the pumps. The proposed ordinance would require that each pump shall be capable of operating on emergency power.

Comments:

1. Assistant Deputy Chief (ADC) Gary Massetani, the City's Fire Marshall, reports that the subject fees were last increased effective July 1, 1999. Attachment II to this report is a memorandum provided by ADC Massetani explaining the Fire Department's need to increase fees in order to cover the cost of increased Fire Department resources already in place.

2. Mr. Joe Matranga of the Controller's Office advises that the Controller has reviewed the Fire Department's proposed fee schedule for FY 2000-01 and concurs with the proposed increase. Mr. Matranga has also stated that the Controller has included the fee increases in the Fire Department's budgeted FY 2000-01 revenues. As shown in Attachment II, the dollar value of the increase in revenues due to the fee increase is $384,750.

3. ADC Massetani has advised the Budget Analyst that the Fire Department is requesting the amendment to the water supply pump provision to clarify the intent of the Fire Code to that those pumps are capable of operating on emergency power.

Recommendation: Approve the proposed ordinance.

Notes	Section	Description	Existing Fee	Proposed Fee	$ Increase	% Increase
1	106.3	Reinspection of Violation	$62	$74	$12	19.4
2	106.7	Consultation Fee	$56	$74	$18	32.1
3	106.8	High-Rise Inspection	5.53/1000s.f.	6.00/1000s.f.	47/1000s.f.	8.5
4	106.9	Back Check Plan Review	n/a	$52/hr	n/a	n/a
	106.10	Field Inspection	$55/hr	$64/hr	$9/hr	16.4
5	106.11	Pre-Application Meeting	$92/ 2 hrs	$104/ 2 hrs	$12/ 2 hrs	13.0
	106.15	Overtime	$57/ hr	$70/ hr	$13/ hr	22.8
6	106.17	Waterflow Information	$23/ flat fee	$26/ flat fee	$3/ flat fee	13.0
7	106.17	Waterflow Hydrant Test	$92/ flat fee	$104/ flat fee	$12/ flat fee	13.0
8	Table 106-B	Plan Review	n/a	n/a	n/a	5.0

1 This fee is based upon time required for inspection of property to determine whether or not a fire code violation has been abated.

#2 Consultation Fee is charged for a survey of a building for compliance with applicable codes for existing or proposed use. This fee has been raised to conform to violation reinspection service fee which is what this service most closely resembles.

3 This fee is charged, as permitted by State law, to recover costs of providing the service of annual high-rise building inspections. These inspections are mandated by the California Health & Safety Code.

4 This is a new fee to recover the cost of providing plan review services when a previously approved plan is revised due to conditions in the field, therefore requiring an additional plan review.

5 This fee is for meetings requested by designers for plan review services before plans are submitted.

6 This fee is for hydraulic information requested by designers, when this information is available through documents at the Fire Dept. Plan Check Unit.

7 This fee is charged for hydraulic information when requested by designers. This fee covers the cost of an actual street hydrant test to provide accurate hydraulic information.

8 The increase is based on the projected increase in the cost of providing the plan review service.

The total projected increase in revenue amount to be collected by the Fire Department's Bureau of Fire Prevention is $ 384,750.00

Source: S.F. Fire Department

Suboject	Description	99/00 Budget	Controller's Projected Actual 99/00 Revenue	Project FY 00/01
60667	Fire Plan Checking	$ 1,150,000.00	$ 1,271,059.00	$ 1,532,850.00
60668	Fire Inspection Fees	390,000.00	547,387.00	600,000.00
60670	High Rise Fire Inspection Fee	622,500.00	530,673.00	639,000.00
60671	SFFD Tx Coll Renewal Fee	450,000.00	453,818.00	450,000.00
60672	SFFD Oring Filing-Posting Fee	160,000.00	181,395.00	160,000.00
60673	Fire Code Reinspection Fee	30,000.00	22,771.00	30,000.00
60699	Other Public Safety Charges	40,000.00	49,997.00	30,000.00
	Totals	2,842,500.00	3,057,100.00	3,441,850.00
	FY 00/01 Revenue Increase			384,750.00

Suboject	Discription	Cost of Services	FY 99/00	FY 00/01
60667	Fire Plan Checking		1,317,515.00	1,516,836.00
60668	Fire Inspection Fees		572,150.00	603,636.00
60670	High Rise Fire Inspection Fee		633,078.00	668,053.00

For Fiscal Year 2000-2001, these fees were based upon estimated revenues for Fiscal Year 1999-2000 with proposed fee increases.

The purpose of the fee increase is allowed by the California State Government Code to support the cost of providing the service for which each fee is charged.

The projected budget includes an increase in personnel to provide the services for which these fees are charged.

Source: S.F. Fire Department

Item 2 - File 00-0771

Department: Assessor's Office

Item: Ordinance appropriating $315,167 from the General Fund Reserve for litigation and mediation expenses associated with the Viacom Assessment Appeal for the Assessor's Office.

Amount: $315,167

Source of Funds: General Fund Reserve

Description: The proposed supplemental appropriation request of $315,167 would fund legal and related services for the assessment appeals process regarding a dispute with Viacom Cable, Inc., the City's Cable Television franchisee prior to the takeover of Viacom by TCI, which was later acquired by AT&T. Viacom initially filed an appeal with the Assessment Appeals Board in 1991, contesting both the assessed value of Viacom's cable signal distribution system and the assessed possessory interest taxes[1] owed by Viacom to the City for the years 1987 through 1991. The first hearing day for the appeals of the assessed value of the cable signal distribution system was in September of 1997. The Assessment Appeals Board concluded their hearings on the appeal of the assessed value of Viacom's cable signal distribution system in 1998, but has not yet issued a decision on the appeal. The Assessment Appeals Board hearings on Viacom's appeal of the assessed possessory interest tax owed by Viacom to the City is currently in progress. According to Mr. Verne Walton of the Assessor's Office, Viacom has completed presentation of their case before the Assessment Appeals Board but the City has only presented about two-thirds of their case. Although Viacom's appeal initially included the years 1987 through 1991, the appeal now includes the years 1987 through 1995. Mr. Walton advises that Viacom has asked for a $23,000,000 refund in possessory interest taxes paid by Viacom to the City between 1987 and 1995. The City has estimated that the requested refund should be approximately $12,000,000,

[1] Possessory Interest Taxes are levied on private companies which use publicly owned property. In this particular instance, the City assesses possessory interest taxes on Viacom Cable's use of City streets and rights of way to provide for the cable company's cable distribution system.

plus accrued interest, for excess possessory interest taxes paid by Viacom to the City during that time.

According to Mr. Walton, the Assessment Appeals Board has scheduled 19 hearing days from April 1, 2000, through June 9, 2000. Mr. Walton advises that the hearings will not necessarily conclude by June 9, 2000, and that the Assessment Appeals Board will resume such hearings on September 15, 2000, if the hearings are not yet concluded. However, Mr. Walton states that the City and Viacom have agreed to mediation for the period from June 9, 2000, to September 15, 2000. If the parties are able to reach agreement during the mediation process, then very few Assessment Appeals Board hearings will be required during FY 2000-2001, according to Mr. Walton.

Budget: The estimated additional costs for the Viacom assessment appeal process are as follows:

Consultant Expenditures (unpaid expenditures as of March 31, 2000)		
Berliner and Kidder, appraiser of intangible properties	$38,712	
Diehl, Evans & Company, LLP, auditor of intangible properties	15,000	
Rutan & Tucker, private attorney representing the City before the Assessment Appeals Board	35,000	
Telecommunication Management Corporation, Telecommunications economist	37,232	
Subtotal, unpaid consultant expenditures		$125,944
Mediation		100,000
Appeal Hearings, 22 days @ $5,000 per day		110,000
Projected 5 extra hearing days for contingency		25,000
Total, unpaid consultant expenditures and projected costs		$360,944
Remaining balance of prior appropriation as of April 10, 2000		($45,777)
Total		**$315,167**

The Budget Analyst has reviewed budget details provided by the Assessor's Office, which are discussed in Comment No. 4.

Comments: 1. Mr. Walton states that the Assessor's Office included $356,584 in the Assessor's FY 1999-2000 budget to pay for the City's expenses in the Viacom possessory interest tax appeal before the Assessment Appeal Board. As of April 10, 2000, the Assessor's Office had expended $310,807 of the allocated amount of $356,584, with a remaining balance of

$45,777. Mr. Walton advises that the City owes $125,944 in already incurred expenses and estimates additional costs of $235,000 for Assessment Appeals Board hearings and mediation, for a total of incurred unpaid expenses and projected costs of $360,944 for FY 1999-2000. The proposed ordinance would appropriate $315,167 for the City's mediation and legal expenses, which equals incurred and projected expenses of $360,944 less the remaining FY 1999-2000 appropriation balance of $45,777.

2. According to Mr. Walton, the Board of Supervisors appropriated $356,584 in the Assessor's FY 1999-2000 budget to fund the costs of the Viacom assessment appeal process. In addition, the Board of Supervisors approved appropriation of $450,000 in the Assessor's FY 1997-98 budget and $250,000 in the Assessor's FY 1998-1999 budget for the Viacom assessment appeal process. Appropriations to date total $1,056,584. Therefore, approval of this supplemental appropriation of $315,167 would increase that total to $1,371,751.

3. Mr. Walton states that the Assessor's Office estimates a total of $200,000 in expenditures for the mediation process, which includes consultant and attorney costs for preparation and mediation sessions plus travel expenses. The proposed supplemental appropriation includes $100,000 for mediation expenses. According to Mr. Walton, additional funds in the amount of $100,000 have been included in the FY 2000-2001 Assessor's budget for mediation expenses.

4. The proposed supplemental appropriation budget includes a total of $135,000 for 27 Assessment Appeals Board hearing days (22 Appeals Board scheduled hearing days at $5,000 per day, totaling $110,000, plus 5 contingency hearing days at $5,000 per day, totaling $25,000). The Budget Analyst notes that only 19 Assessment Appeals Board hearing days have been scheduled from April 1, 2000, through June 9, 2000, and of these 19 hearing days, only 17 hearing days have actually occurred or are pending. Additionally, based on information provided by the Assessor's Office, the Budget Analyst projects that the estimated costs for the Assessment Appeals Board hearing days for the period from

April 1, 2000, through June 9, 2000, are approximately $6,160 per day ($4,385 per hearing day for attorney costs and approximately $1,775 per hearing day for expert witness costs). The total cost of 17 Assessment Appeals Board hearing days would be $104,720, based on the Budget Analyst's projections ($6,160 times 17), which is $30,280 less than the budgeted amount of $135,000. Therefore, the Budget Analyst recommends a reduction in the supplemental appropriation of $30,280, from $315,167 to $284,887.

Recommendations: 1. Amend the proposed supplemental appropriation to reduce the amount of the General Fund Reserve as a source of funds by $30,280 as follows:

Item	From	To	Reduction
Funding Source:			
General Fund Reserve (Page 1, line 10)	$315,167	$284,887	$30,280
Funding Uses:			
Litigation Expenses (Page 2, line 4)	$315,167	$284,887	$30,280

2. Approve the proposed ordinance as amended.

Item 3 - File 00-0772

Department: Department of Public Works (DPW)
Department of Public Health DPH)
Laguna Honda Hospital (LHH)

Item: Supplemental Appropriation for architectural, engineering and construction costs for the Laguna Honda Hospital Project.

Amount: $9,243,481

Source of Funds: Tobacco Settlement Funds

Description: The proposed supplemental appropriation would provide initial funding for the Laguna Honda Hospital Replacement Project in the amount of $9,243,481. A summary budget for the use of these funds is as follows:

Architectural and Engineering Consultants – Programming and Planning Services	$6,743,481
Initial Permits and Agency Review Fees	
Office of Statewide Health Planning and Development (OSPHD)	1,419,500
City Planning	180,000
Department of Building Inspection	500
Environmental Review Consultants	900,000
Total	$9,243,481

The attachment to this report is a memorandum that provides the DPW's explanation of the amounts requested for the $6,743,481 requested for Architectural and Engineering Consultants and the $900,000 requested for Environmental Review Consultants. The DPW cannot, at this time, provide details concerning the Architectural and Engineering Consultants and the amounts of the respective contracts totalling $6,743,481 as they are

currently evaluating responses to a Request for Proposals (RFP) process.

The attached memorandum notes that total anticipated expenditures for such consulting services in support of the project are $27,000,000 or approximately 11 percent of the total construction costs for the Laguna Honda Hospital Replacement Project of $251,000,000.

DPW has selected consultants for the $900,000 budgeted for Environmental Review services shown in the summary budget above. According to Ms. Marilyn Thompson of DPW, a Request for Qualifications process approved by the Civil Service Commission and the Human Rights Commission (HRC) has been used to select Environmental Review Contactors.

The firm of Impact Sciences was selected for background reports, and draft and final Environmental Review Reports. The budget allocation for Impact Sciences is $480,000. Subcontract participation by MBE/WBE firms has been certified by the HRC at ten percent and ten percent respectively, according to Ms. Thompson.

In addition, the firms of Agua Tierra Associates and Weiss Associates has been selected for as needed civil engineering and environmental infrastructure reports. The budget allocation for such as needed reports is $120,000. Participation by MBE/WBE firms has been certified by the HRC at 20 percent and 20 percent respectively, according to Ms. Thompson.

The DPW has also allocated $300,000 for borings, surveys, materials testing, construction staging and access studies according to Ms. Thompson. No contractors have been selected to perform these services as of this date.

Comments:

1. As reported previously to the Board of Supervisors (in June of 1999) the estimated total project cost for the Laguna Honda Hospital Replacement Project is $401,000,000. The anticipated sources of funding for the total $401,000,000 project would be as follows:

General Obligation Bonds approved by the in the November, 1999 general election	$299,000,000
Interest Earned on General Obligation Bonds	21,703,283
Tobacco Settlement Revenues (including interest earnings)	80,296,717
	$401,000,000

As noted above, total construction contract costs for the proposed project are estimated at $251,000,000.

2. The Department of Public Works has requested approval of this proposed resolution at this time despite the fact that the Architectural and Engineering consultants at a total request of $6,743,487 have not been selected, and a final contract with such consultants will not be in place until August of 2000. Normally the Budget Analyst would recommend reserving at least a portion of this $6,743,87 request pending submission of cost details. However, according to the attached memorandum, DPW is concerned that delays will result in construction escalation costs amounting to approximately $120,000 monthly. Because DPW is unable to provide full contractor and cost details at this time, and requests that no funds be reserved by the Finance and Labor Committee, the Budget Analyst considers the proposed supplemental appropriation a policy matter for the Board of Supervisors.

Recommendation:

Approval of the proposed supplemental appropriation is a policy matter for the Board of Supervisors.

Attachment

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http://www.sfdpw.com

Department of Public Works
Finance and Budget Division
Financial Management and Administration
City Hall, Room 340
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4645

Tina Olson, Division Manager

Willie Lewis Brown, Jr., Mayor
Mark A. Primeau, Architect, AIA, Director

MEMORANDUM

Date: May 17, 2000

To: Ken Bruce, Budget Analyst's Office

From: Tina Olson, Manager of Finance and Budget, DPW
Marilyn Thompson, Project Manager, Laguna Honda Hospital Project

Subject: Laguna Honda Hospital Project Supplemental Appropriation – A&E Consultant Contracts

In the Laguna Honda Hospital Project supplemental appropriation request pending before the Board of Supervisors, we have budgeted $6,743,481 for Architecture and Engineering (A&E) consultants for the programming and planning phase of the project. This figure represents a portion of the total A&E contract. The A&E contract is anticipated to be in excess of $27 million, 11% of $251 million, the estimated construction bids. The majority of the design effort will occur in the next four years. This supplemental will fund the first year.

The programming and planning phase includes architectural services (programming, space planning, site plans, historic preservation studies, massing studies, preliminary permit approval documents), engineering services (site analyses, existing utilities analyses, utilities planning studies, site plans, structural systems studies, mechanical & electrical systems studies), construction documents for the temporary utility plants, and reimbursable expenses.

On January 4, 2000, we issued a Request for Qualifications (RFQ) for the Executive Architect. We have received three proposals from A&E teams and will be interviewing the most qualified teams in June of this year. We anticipate selecting the Executive Architect in July 2000 with a contract finalized by August 2000. We need this appropriation to certify that contract and begin the programming and planning work on the project. Conceptual site plans and massing studies are necessary in order to begin the draft EIR process this year. This appropriation also includes $900,000 for EIR consultants and reports. We are currently finalizing negotiations with the EIR consultants and require the funds now for the Initial Study and background reports. We are concerned that any delays to receiving this appropriation will result in construction escalation costs of $120,000 per month.

Item 4 - File 00-0773

Department: City Attorney's Office

Item: Ordinance appropriating $1,139,504 from the General Fund Reserve to fund salaries, fringe benefits and professional and expert services for litigation of San Francisco Business Tax cases.

Amount: $1,139,504

Source of Funds: General Fund Reserve

Description: The proposed ordinance would appropriate $1,139,504 from the General Fund Reserve to pay for the litigation expenses of the City Attorney for the lawsuit filed against the City by General Motors Corp., Eastman Kodak Co., and five other corporate plaintiffs pertaining to the imposition of the City's Business Taxes. In a summary judgment decision issued on May 16, 2000, the Superior Court ordered the City to refund more than $250,000 in taxes to General Motors and Eastman Kodak. According to Mr. Kim Manolius of the City Attorney's Office, the City will appeal this decision to the State's First District Court of Appeals. Mr. Manolius advises that this appeals process is expected to take approximately 12 to 18 months.

Mr. Manolius states that five trial dates have been set between August and November of 2000 for the five additional corporate plaintiffs that have filed suit against the City's imposition of Business Taxes. Additionally, Mr. Manolius advises that approximately 100 additional businesses have filed claims against the City regarding the City's imposition of Business Taxes.

The proposed supplemental appropriation of $1,139,504 was based on the City Attorney's cost estimates if the lawsuit filed against the City by General Motors and Eastman Kodak had gone to trial on May 30, 2000, as originally scheduled. Mr. Manolius advises that, because of the Superior

Court's recent decision in favor of General Motors and Eastman Kodak, the City will not go to trial but will instead appeal the summary judgment decision to the First District Court of Appeals.[1] Mr. Manolius states that the projected costs of the appeal process are less than if the City were to go to trial. Therefore, the City Attorney's Office has presented revised cost estimates for the requested supplemental appropriation (see Comment No. 3).

Budget:

The summary budget for the proposed supplemental appropriation is as follows:

City Attorney Costs		
Permanent Salaries	$294,346	
Fringe Benefits	76,983	
Other Current Expenses	81,510	
Subtotal, City Attorney		$452,839
Contractual Cost		
Private Attorney	585,261	
Expert Witness	70,000	
Litigation Expenses	31,404	
Subtotal, Contractual Cost		686,665
Total		**$1,139,504**

Comments:

1. According to Mr. Manolius, the five Deputy City Attorneys generally assigned to handle City tax matters have been allocated full-time to the subject Business Tax case, and as such, their costs on this case are already included in the FY 1999-2000 budget. Additionally, four Deputy City Attorneys and one Investigator assigned to other non-General Fund projects have been re-allocated to the subject Business Tax case. Mr. Manolius states that, because the General Motors and Eastman Kodak cases were not filed until April and June of 1999 respectively, General Fund monies were not appropriated in the FY 1999-2000 City Attorney budget to pay the expenses of these additional five

[1] The Superior Court decision that was handed down on May 16, 2000, was in response to motions for summary judgment filed by the City and by the plaintiffs, General Motors and Eastman Kodak. According to the City Attorney's Office, the order handed down by the Superior Court, in response to the motions for summary judgment, precludes the parties going to trial.

staff. Overall the five staff represent 2.95 FTE Deputy City Attorney and 0.75 FTE Investigator positions, for a total amount of $406,620, which has been included in the City Attorney's revised budget. Attachment I, provided by the City Attorney's Office, contains details for the additional City Attorney's Office expenses, including expenses of $266,560 incurred as of April 30, 2000, and projected expenditures of $140,060 through June 30, 2000, totaling $406,620.

2. Mr. Manolius reports that the City has hired outside private attorneys and tax experts on a sole source basis because of their expertise in both business and tax law to assist with the litigation against the City's Business Tax system. According to the City Attorney's Office, expenditures for these private attorneys and tax experts, including associated litigation expenses, total $565,592. Attachment II, provided by the City Attorney's Office, contains details for these consultant and attorney expenses, including expenses incurred as of March 31, 2000 of $228,580 and projected expenditures through June 30, 2000 of $337,012, totaling $565,592.

3. The revised budget for this supplemental appropriation is $972,212, which is $167,292 less than the original budget of $1,139,504. Therefore, the Budget Analyst recommends reducing the supplemental appropriation by $167,292, from $1,139,504 to $972,212. The revised budget is as follows:

	Proposed	Revised	Difference
City Attorney Costs			
Permanent Salaries	$294,346	$264,302	$30,044
Fringe Benefits	76,983	69,126	7,857
Current Expenses	81,510	73,192	8,318
Subtotal, City Attorney	*$452,839*	*$406,620*	*$46,219*
Contractual Cost			
Private Attorney	585,261	499,592	85,669
Expert Witness	70,000	51,000	19,000
Litigation Expenses	31,404	15,000	16,404
Subtotal, Contractual	*$686,665*	*$565,592*	*$121,073*
Total	**$1,139,504**	**$972,212**	**$167,292**

4. Mr. Manolius advises that the Tax Collector's Office has included $1,038,182 in the proposed Tax Collector's FY 2000-2001 budget to cover the costs of the Business Tax litigation during FY 2000-2001, and that the City Attorney's Office would be reimbursed by the Tax Collector's Office on a work-order basis. The Budget Analyst's Office will review those costs during the FY 2000-2001 budget review in June of 2000.

Recommendation: 1. Amend the proposed supplemental appropriation to reduce the amount of the General Fund Reserve as a source of funds by $167,292 from $1,139,504 to $972,212, as follows:

Item	From	To	Reduction
Funding Source:			
General Fund Reserve (Page 1, line 13)	$1,139,504	$972,212	$167,292
Funding Uses:			
Permanent Salary (Page 1, line 19)	$294,346	$264,302	$30,044
Mandatory Fringe Benefits (Page 1, line 21)	$76,983	$69,126	$7,857
Other Current Expenses (Page 1, line 23)	$81,511	$73,192	$8,318
Litigation Expenses (Page 2, line 1)	$686,665	$565,592	$121,073

2. Approve the proposed ordinance as amended.

Tax Litigation Budget
City Attorney Detail
FY 1999-2000
REVISED

		Wks	% Time	Hrs	Rate	Amount
	Through 4/30/2000			1972		$266,560
8181-8	CLEO	9	20%	80	$158	$12,640
8180-4	QUIN 3/6 t	9	100%	400	$144	$57,600
8180-4	MART 3/6	9	60%	240	$144	$34,560
8178-6	CHEA 3/6	9	40%	160	$136	$21,760
	Paralegal	9	75%	270	$50	$13,500
CATTY Totals FY 1999-2000-				3352		$406,620

	% of rate	calc		
atty sal	0.44	$178,913		
atty frg	0.09	$36,596		
other sal	0.21	$85,390		
other frg	0.08	$32,530		
oth curr ex	0.18	$73,192		
lit cost			$15,000	
o/s cost			$550,592	
		$406,620	$565,592	$972,212

001	00100	$264,303
013	01900	$69,125
021	03500	$73,192
050	05321	$565,592
		$972,212

Attachment provided by the City Attorney's Office

Tax Litigation Budget
FY 1999-2000
REVISED

Clarence & Snell - Billing Rates				
Karen Snell	$ 275	90%	$ 248	
Nancy Clarence	$ 275	90%	$ 248	
Kate Dyer	$ 185	90%	$ 167	
Erika Franklin	$ 135	90%	$ 122	

7/1/2000 to 3/31/2000

Actual				$	239,980

4/1/2000 to 5/16/2000 = 7.5 weeks

	Hrs	City Rate	Weekly Amt	Weeks	
Snell	35	$ 248	$ 8,680		
Clarence	8	$ 248	$ 1,980		
Dyer	35	$ 167	$ 5,829		
Franklin	30	$ 122	$ 3,645		
Subtotal			$ 20,115	7.5	$ 150,863

5/17/00 to 6/30/2000 = 6.5 weeks

	Hrs	City Rate	Weekly Amt	Weeks	
Snell	20	$ 248	$ 4,950		
Clarence	8	$ 248	$ 1,980		
Dyer	20	$ 167	$ 3,330		
Franklin	10	$ 122	$ 1,215		
Subtotal			$ 11,475	4	$ 45,900

Clarence & Snell Total to 6/30/2000 $ 435,343

Richards Watson & Gershoan Billing Rate				
Michael Colantuono	$ 275	90%	$ 248	

Revise Tax Code	200	$ 248	$ 49,500	
Litigation Matters	100	$ 248	$ 24,750	

Richards Watson & Gershoan Total to 6/30/2000 $ 74,250

Tax Experts

Jesse Choper Boalt Hall	36	500	$ 18,000	
Michael Potepan, S.F. State	72	250	$ 18,000	
Allen Averbach Economist	30	500	$ 15,000	

Tax Experts Total to 6/30/2000 $ 51,000

Costs (i.e. copies, reporters, etc) $ 15,000

Total Outside Counsel/Experts to 6/30/2000 $ 585,593

CATTY Totals FY 1999-2000 see attached breakdown $ 406,800

Total Special Counsel and CATTY FY 1999-2000 $ 972,243

Attachment provided by the City Attorney's Office

Items 5 and 6 - Files 00-0774 and 00-0787

Department: Sheriff's Department

Items: **Item 5, File 00-00774:** Supplemental Appropriation Ordinance appropriating 2,142,114 from the General Fund Reserve, $2,500,000 from the Jail Overcrowding Reserve, $9,820 from State Mandated cost revenues, and $250,000 from City Hall Special Event revenue, for a total of $4,901,934 to fund (1) budgetary shortfalls in overtime and workers compensation, (2) new computer equipment and services and an information systems consultant; (3) residential substance abuse treatment beds, and (4) funding for a new Deputy Sheriff position.

Item 6, File 00-0787: Ordinance amending the 1999-2000 Annual Salary Ordinance to reflect the creation of one new position in the Sheriff's Department.

Amount and Source of Funds:

General Fund Reserve	$2,142,114
Reserve for Jail Overcrowding	2,500,000
City Hall Special Event Revenue	250,000
State Mandated Cost Revenues	9,820
Total Supplemental Appropriation Request	$4,901,934

Budget: The requested budget of $4,901,934 would be used as follows:

Budget Shortfalls		
Overtime	$3,304,981	
Workers Compensation	350,000	
		$3,654,981
Computer Equipment and Information Systems Consultant		
New Servers for Defendant Tracking System	$127,685	
Interface with external computer systems	55,448	
Information systems contract project manager	354,000	
		$537,133
Residential substance abuse treatment beds		$700,000
One month costs for a new Deputy Sheriff position		
Salaries	$5,200	
Benefits	1,120	
Materials and supplies	3,500	
		$9,820
Total Requested Funds		**$4,901,934**

Description:

The proposed supplemental appropriation ordinance (File 00-0774) would appropriate $2,142,114 from the General Fund Reserve, $2,500,000 from the Reserve for Jail Overcrowding, $250,000 from City Hall Special Event revenue, and $9,820 from State Mandated Cost Revenues to fund (1) budgetary shortfalls in overtime and workers compensation (2) computer equipment and software for the new Defendant Tracking System and a project management contractor to oversee development of the new computer system (3) additional residential substance abuse treatment program beds, and (4) approximately one month's costs for a new Deputy Sheriff position who would be responsible for collection and reporting of information regarding DNA samples taken from prisoners in compliance with a new State law.

The proposed ordinance (File 00-0787) would amend the Annual Salary Ordinance to reflect the creation of one new position, as follows:

No. of Positions	FY 99-00 FTE	Class	Title	Biweekly Salary	Annual Salary
1	0.09	8304L	Deputy Sheriff	$1,682 - $2,043	$43,900-53,322

Besides annual salary costs ranging from $43,900 to $53,322, fringe benefits would range from $8,145 to $9,771 for a total annual cost ranging from $52,045 at Step 1 to $63,093 at Step 5.

Budget Shortfalls: Overtime and Workers Compensation ($3,654,981)

The Department is requesting $3,304,981 of the proposed supplemental appropriation for a deficit in overtime expenditures and $350,000 for a deficit in workers compensation costs.

Overtime

The Department's overtime budget for FY 1999-2000 is $1,184,546. Actual expenditures through the pay period ending April 28, 2000 were $5,188,424, or $4,003,878 over the amount budgeted. The Department projects that it will expend $1,057,500 more in overtime by the end of the

1999-2000 fiscal year, resulting in total overtime expenditures of $6,245,924 for the entire year. Total projected overtime expenditures for FY 1999-2000 of $6,245,924 is $5,061,378, or 427 percent, more than the $1,184,546 budgeted. The amount requested for overtime in this supplemental appropriation is $3,304,981, or $1,756,397 less than the projected overtime deficit of $5,061,378. The difference will be offset by savings in other salary and mandatory fringe benefits accounts such as permanent salaries and retirement contributions.

The Sheriff's Department attributes its excess overtime expenditures to a number of causes including:

1. Hiring 110 new positions this Fiscal Year, all of whom attended training of up to six months during which time some of their future posts were filled by existing staff on overtime.
2. A higher than expected turnover rate resulting in the use of overtime to fill vacated posts.
3. Insufficient staff for the number of posts assigned to City Hall security, resulting in the use of overtime to fill those posts.
4. Jail population increases and overcrowding.

The Department hired 110 new employees this year, filling many of the Deputy Sheriff positions that were vacant in FY 1999-00. Currently, there are only four 8304 Deputy Sheriff positions vacant out of the 623.25 positions authorized, according to Ms. Jean Mariani of the Sheriff's Department. At the start of FY 1999-2000, there were 95 vacancies in the Department Ms. Mariani reports.

When hired, each Deputy Sheriff position is required to complete a seven week core training program before starting work in the jails or other posts and another five to six months worth of training within eighteen months of being hired. During the training period, the new Deputy Sheriffs are paid but are not available to perform their regular Deputy Sheriff duties. If their future assignment is one that must be performed every day (i.e., a fixed post), it is filled by another Deputy Sheriff on overtime

while the new hire is in training. Ms. Mariani reports that the Department knew that the overtime appropriation in the Mayor's 1999-2000 budget was not going to be sufficient given the number of new hires planned.

The Department added City Hall security to its functions in FY 1998-1999 and 41 new positions since then to perform this function. According to the Sheriff, the staffing added is not sufficient to cover all of the posts contained in the Department's City Hall security staffing plan so some of the posts are regularly filled by staff on overtime. The Department estimates that $823,504 of the $5,184,154 in overtime expenditures through April 28, 2000 is attributable to covering City Hall security posts. The budget for City Hall security overtime for FY 1999-2000 was $112,550. The $823,504 expended on overtime for City Hall security as of April 28, 2000 is $710,954, or over 631 percent more than the amount budgeted for the year.

Through May 13, 2000, turnover for the Department's sworn personnel was 9.1 percent in FY 1999-2000 as compared to 6.5 percent the previous Fiscal Year. The increase in turnover is largely attributable to the lateral transfer of 23 8304 Deputy Sheriff positions to the San Francisco Police Department. Without these departures, the Department's attrition rate would have been 6.4 percent or almost the same as the previous fiscal year's 6.5 percent. To the extent that the positions transferring to the Police Department filled fixed posts, those posts have been filled by remaining staff on overtime until the vacant positions are replaced by new employees.

The population of the jails has averaged 2,709 so far in FY 1999-2000, a 3.4 percent increase from the average for the second half of FY 1998-1999 of 2,621. The additional population puts pressure on jail staffing as additional Deputy Sheriff time is needed for functions such as prisoner transportation to courts and medical care.

Other than City Hall security, the Department is not able to quantify how much of its overtime expenditures are attributable to each of the explanations discussed above.

However, the Department does generate a number of overtime usage reports that identifies overtime costs by division and provides some explanations (such as overtime for meeting minimum staffing requirements).

The overtime report by division shows that approximately 56 percent of all overtime expenditures through the end of May was attributed to the jails. City Hall security comprises 16.7 percent and the courts another 9.5 percent. The table below shows the distribution of actual overtime expenditures through April 28, 2000 by division or cost center for 92.2 percent of total overtime expenditures. The remaining 7.8 percent, or $398,459 is distributed in small amounts between 17 divisions or cost centers of the Department, with an average overtime expenditures of $23,439 per division or cost center.

	Expenditures as of 4/28/00	% Total
City Hall Security	855,216.84	16.7%
County Jail 1	668,865.04	13.1%
County Jail 8	596,104.78	11.6%
Courts	487,662.15	9.5%
County Jail 2	457,248.39	8.9%
County Jail 7	392,084.98	7.7%
County Jail 9	360,024.50	7.0%
County Jail 3/Besk case	423,363.75	8.3%
Classification	149,160.44	2.9%
Ward 7D @ SFGH	102,438.04	2.0%
Station Transfer	99,892.80	1.9%
Training	72,329.27	1.4%
Alternative programs	61,980.00	1.2%
Other cost centers	398,459.78	7.8%
TOTAL	$5,124,830.76	100.0%

Note: Total varies slightly from earlier stated overtime amount as of 4/28/00 of $5,184,154 because they are taken from two different Sheriff's reports.

The Department's overtime expenditures in FY 1998-1999 were $3,340,402 compared to an original budget of $1,150,981. The projected total overtime expenditures of $6,245,924 for FY 1999-2000 represent an increase of 87 percent over actual FY 1998-1999 expenditures.

Workers Compensation

The Sheriff's Department is requesting $350,000 for workers compensation as part of this supplemental appropriation request. The Department's workers compensation budget for FY 1999-2000 is $1,000,070. The Department of Human Resources reports that the Sheriff's Department's expenditures through the end of April, 2000 were $1,157,282. Projected spending for the balance of the year is estimated to be $399,244, resulting in total expenditures of $1,556,526, or $556,456 more than the budgeted amount of $1,000,070, according to the Department of Human Resources.

The Sheriff's Department anticipates that the $556,456 needed will be reduced by $239,822 through a reimbursement from the Trial Courts for court security services provided by the Sheriff, resulting in a net increased cost of $316,634, as follows:

Actual and projected Sheriff's Department workers compensation expenditures FY 1999-2000 as reported by the Department of Human Resources

10 months actual expenditures	$1,157,282
Plus projected expenditures last 2 months	399,244
Total projected expenditures	1,556,526
Less amount budgeted	1,000,070
Less projected Trial Court reimbursement	239,822
Net shortfall	$316,634

Projected FY 1999-2000 expenditures of $1,556,516 represents a 25.8 percent increase over FY 1998-1999 expenditures of $1,237,086. The Department of Human Resources states that the shortfall is due to underbudgeting in the current year and higher costs associated with a catastrophic injury.

2) Computer Equipment and Information Systems Contractor ($537,133)

These funds are requested to pay for two new servers for the Department Tracking System, interfaces between the Defendant Tracking System and State and Federal and

proprietary computer systems, and a contract project manager to oversee development of the Defendant Tracking System. The amounts requested for each component are as follows:

Distribution of costs for new computer equipment and project management contractor

New servers for Defendant Tracking System	$127,685
Interfaces with external computer systems	55,448
Information systems project management contractor	354,000
Total	$537,133

The Department reports that the Defendant Tracking System currently under development will replace the Court Management System (CMS), the core system now supporting all of the City's criminal justice operations. The new Defendant Tracking System will be part of a new City-wide replacement system. The Department reports that its two existing servers are not adequate for the new system and is requesting two new servers at a cost of $127,685 (2 servers x $58,841 each plus sales tax for a total of $127,685). The new servers are IBM RISC 6000 Model F50s according to Ms. Mariani, and have faster processing speed and greater capacity than the current servers. Full implementation of the new Defendant Tracking System is scheduled for June, 2000.

As part of the new Defendant Tracking System, the Department is also requesting funds to purchase software that will enable interfaces between the new system and CABLE, a State and federal criminal justice data system, and Printrak, a proprietary criminal justice photo identification system. Funding is also requested for licenses for 100 workstations for this new software. The cost for new software and licensing will be $55,448 according to the Department.

The final component of the Department's information technology request is $354,000 for a work order to the Department of Telecommunications and Information Systems (DTIS) for a contract project manager to oversee development of the Defendant Tracking System. Most of

this request is retroactive as the contractor has been working for the Sheriff's Department since late July of 1999. He has worked 1,789 hours through April of this fiscal year and is expected to expend 425 more hours by the end of the Fiscal Year for a total of 2,214 hours. At the contractor's hourly rate of $160, this will result in total costs of $354,240 for the contractor's services in FY 1999-2000. An additional six months' funding for this position will be requested in the Department's FY 2000-2001 budget, according to Ms. Mariani.

Ms. Mariani reports that the contractor is hired through TechProse, a firm under contract to DTIS to provide a variety of information systems consulting services on an as needed basis. The individual contractor working for the Sheriff's Department was initially recommended to the Sheriff's Department by DTIS to prepare the Sheriff's information systems strategic plan, according to Ms. Mariani, and was added to an existing agreement DTIS had with TechProse. She reports that after starting that engagement, he was asked to discontinue that work by the Sheriff's Department and to instead serve as project manager for the development and implementation of the Defendant Tracking System. The contract for this latter service was not competitively bid because the Sheriff's Department believed that the TechProse contractor hired to prepare the strategic plan was well qualified for this second engagement and that TechProse was already engaged by DTIS for work on other criminal justice information systems projects.

Since August of 1999 the contractor has worked an average of 196 hours per month, or the equivalent of nine hours for every business day and every holiday between August 1999 and April 2000 at an hourly rate of $160. Based on just an eight hour day, his fees would be $1,280 per day. The Department reports that the contractor does not work every business day and holiday but often works several days per week for more than eight hours a day to facilitate communications with Department staff working on swing and midnight shifts.

3) Residential substance abuse treatment beds ($700,000)

The Sheriff's Department is requesting $700,000 for additional residential substance abuse treatment beds. The Department reports that its FY 1999-2000 budget for these programs is $1,456,800 for the use of up to 119 residential drug treatment beds per day. This represents an increase in funding compared to FY 1998-1999 when funding was initially provided for 32 beds per day and then increased to up to 100 per day through a supplemental appropriation.

Total spending for residential drug treatment for the first ten months of FY 1999-2000 was $1,688,325 and the Department projects additional expenditures of $435,418 for the balance of the fiscal year resulting in total expenditures of $2,123,743. With a FY 1999-2000 budget of $1,456,800, the projected expenditures will result in a deficit of $666,943 for the year, as follows:

Sheriff's Department estimates of residential drug treatment program budget shortfall

10 months actual expenditures FY 1999-2000	$1,688,325
Plus projected expenditures last 2 months FY 1999-2000	435,418
Total projected expenditures FY 1999-2000	2,123,743
Less amount budgeted FY 1999-2000	-1,456,800
Department's projected net shortfall FY 1999-2000	$666,943

The Department used an average of 94 beds per day at an average cost of $58.83 for the first ten months of FY 1999-2000. The beds being used every day for residential drug treatment represents approximately 3.5 percent of the FY 1999-2000 average daily total prisoner population of 2,709. The increased use of residential drug treatment programs is due to an increase in the jail population according to the Sheriff's Department that was not foreseen at the time that FY 1999-2000 budget was prepared. Ms. Mariani points out that the costs for these beds is lower than the cost of sending a prisoner to an out of County facility where the average cost would be approximately $74 per day.

4) New Deputy Sheriff position ($9,820)

This amount is requested for a new 8304 Deputy Sheriff position that would be responsible for State-mandated DNA sample collections. AB 1332, which took effect in January 2000 requires local jurisdictions to collect DNA samples from persons convicted of certain crimes such as homicide, sexual assault, and other serious crimes. The requested funds would pay salaries, fringe benefits for approximately one month of FY 1999-2000. The costs for uniforms and a radio are also included in this request. Annual salary and mandatory fringe benefit costs for this new position would be $52,045 at Step 1 and $63,093 at Step 5.

The Department reports that this function has never been performed by the Department to date and could not be absorbed as part of the duties of any existing staff members. The Department expects that the costs of this position will be fully reimbursed by State SB 90 monies. Details of the requested costs are as follows.

Sheriff's Department's estimates of costs for approximately one month of a new DNA Deputy Sheriff position for FY 1999-2000

Base salary	$4,905.79
Plus POST pay	294.35
Total pay	5,200.14
Plus mandatory fringe benefits	1,121.37
Plus initial uniform/radio costs	3,500.00
Total annual costs	$9,821.51

Comments:

1. Of the $4,901,934 requested by the Department, $3,494,309, or approximately 71 percent of the supplemental appropriation amount requested, has already been expended as of April 28, 2000. This leaves $1,407,625 as prospective expenditures for FY 1999-2000, as follows:

Distribution of supplemental appropriation request amount between actual and projected expenditures

	Already expended (4/28/00)	Dept's. projected expenditures	Total
Overtime	$2,819,332	$485,649	$3,304,981
Workers compensation	157,212	192,788	350,000
Computer equipment and software	0	183,133	183,133
Computer System contractor	286,240	67,760	354,000
Residential substance abuse services	231,525	468,475	700,000
New Deputy Sheriff position	0	9,820	9,820
Total	$3,494,309	$1,407,625	$4,901,934

The projected balance of $1,407,625 is comprised of overtime, workers compensation, residential substance abuse treatment, computer system, computer system contractor, and new Deputy Sheriff position expenditures projected by the Department for the last two months of FY 1999-2000.

2. The Sheriff's Department cannot fully explain its continually increasing overtime costs. As mentioned earlier in this report, total overtime costs for FY 1998-1999 were $3,340,402. Projected overtime costs for FY 1999-2000 are $6,245,924, or 87 percent more than actual FY 1998-1999 expenditures. Actual FY 1999-2000 expenditures through the pay period ending April 28, 2000 were $5,188,424, or $4,003,878 over the amount budgeted. The Department projects that it will expend $1,057,500 more in overtime by the end of FY 1999-2000, resulting in total overtime expenditures of $6,245,924 for the entire year. This amounts to $5,061,378, or 427 percent more than the $1,184,546 budgeted for overtime in the Sheriff's FY 1999-2000 budget.

   While the high rate of new hires in FY 1999-2000 appears to have been part of the cause of increased overtime expenditures so far this fiscal year, overtime costs are not declining now that most of the new Deputy Sheriffs have completed their training and have been assigned to duty. In addition, new hires are mostly filling positions that were vacant for most of FY

1998-1999. It would thus be logical to conclude that the fixed posts that are being staffed by new hires this Fiscal Year should also have been covered by overtime last Fiscal Year since many of the positions filling those posts were vacant. On that basis, the disparity in overtime costs between the two fiscal years should not be so great.

Another variable cited by the Sheriff's Department in explaining its high overtime costs is jail population growth and overcrowding. While the jail population is over the capacity rated for the City's jail facilities, the average daily jail population in FY 1999-2000 as of April 2000 is only 2.3 percent greater than it was in the second half of FY 1998-1999. Because growth has not been significant, this also does not explain the growth in overtime costs between the current and previous Fiscal Year.

Turnover has been higher than expected this Fiscal Year due to a number of Deputy Sheriff's taking lateral transfers to the Police Department, but most of these transfers have occurred in just the last month so this factor would be limited in explaining overtime costs throughout the year.

The Sheriff's Department overtime tracking system tracks dollars spent on overtime by division or cost center and by some reasons for overtime. It does not provide management with a sufficient level of detail on the reasons for approved overtime. Without this information, Department management is at a disadvantage in addressing and minimizing these costs. Such a tracking and reporting system should be implemented by the Department so that upper management is aware of why overtime is occurring and can take actions to reduce overtime costs.

Without sufficient explanation for the increase in overtime already incurred and projected for FY 1999-2000 compared to FY 1998-1999, the Budget Analyst believes that the requested supplemental appropriation amount should be reduced to a level

commensurate with actual expenditures in FY 1998-1999 since most new hires have now been assigned to fixed post duty. Using average actual expenditures from the last four pay periods of FY 1998-1999, adjusted by 6 percent for increases in salaries, the amount requested for overtime could be reduced by $140,179, as follows:

Average overtime expenditure May – June, FY 1999-00	$203,849
Projected expenditures for May - June FY 1999-2000 using average FY 1998-1999 amounts adjusted for salary increases (4.5 pay periods)	917,321
Amount needed projected by Sheriff for May - June 2000	1,057,500
Difference	$140,179

3. One component of the $6,224,945 in projected overtime expenditures for FY 1999-2000 is overtime expenditures in excess of the amount budgeted for City Hall security. $112,550 was budgeted for City Hall security for FY 1999-2000 and as of April 28, 2000, $823,504 has been expended for this purpose, which is $710,954 or over 631 percent more than the budgeted amount. The reason for excess overtime expenditures in this area is that there are not enough authorized positions to fill all of the fixed posts that the Sheriff's Department has assigned to City Hall security. The Department will continue to incur overtime to fill its City Hall security posts unless more positions are added for this function or a new staffing plan is designed for the function.

   An analysis conducted as part of the Budget Analyst's review of the Sheriff's proposed FY 1999-2000 budget showed that all City Hall security stations could be covered with fewer fixed posts than the Sheriff has assigned to this function. It would require not having a third Deputy assigned to each station to cover the two lunch hours and breaks when there are two other deputies assigned to a station. If this Sheriff's department used floater positions to cover breaks, such a plan would be feasible. The Budget Analyst has observed on occasion that there are three or four

Deputy Sheriffs and Cadets at the Grove Street entrance to City Hall at one time.

4. The $350,000 workers compensation portion of the proposed supplemental appropriation is $33,366 more than the amount needed for the remainder of this fiscal year as projected by the Department of Human Resources. Therefore, the amount requested could be reduced. The Budget Analyst recommends a reduction of half the excess amount, or $16,700 to allow some extra funds in the event that actual costs vary from the Department of Human Resources projections for FY 1999-2000.

5. A review of the City's contract with TechProse, the contract firm retained to serve as project manager for development and implementation of the Defendant Tracking System revealed that there are no set hours or costs for the contractor for this engagement. Instead, his work is folded into a contract for a larger project being conducted by the firm for the City with a maximum cost of $1,654,000. The contractor has worked 1,789 hours between July 1999 and April of this year. He is expected to work 425 hours more before the end of the Fiscal Year for a total of 2,214 hours. At an hourly rate of $160, total fees for this contractor will be $354,240 for Fiscal Year 1999-2000. This equates to an average of 196 hours per month, or nine hours per day for every business day and holiday between August 1999 and April 2000.

   The contract includes a number of tasks to be performed by the firm including those being performed for the Sheriff but does not specify who will be performing them or at what cost. Since the engagement for the Sheriff was added to an existing DTIS contract with TechProse through a contract amendment, one can compare the amended contract to the original and determine which tasks were added, which consultants were added, and the increase in the cost. However, the contract is without specific cost controls for the portion of the engagement for the Sheriff.

Though TechProse provides a range of consultants at a range of rates (their hourly rates range from $75 to $160), only one consultant has been used for the Sheriff's project at the project manager level. He is billed at $160 per hour, the highest hourly rate charged by the company. Given the number of hours dedicated to the project for the Sheriff and the nature of the work being performed, it would seem more cost-effective to use a mix of staff. Some of the tasks performed such as work flow analysis could likely be performed by more junior staff at lower cost.

The existing contract is in place through June, 2000. For additional work in FY 2000-2001, the Budget Analyst believes the contract should be reviewed by the Sheriff's Department to determine if costs could be reduced through use of a mix of consultants at varying hourly rates. The Budget Analyst will review this contract as part of the FY 2000-2001 Sheriff's Department budget review.

6. The Department's projections for residential drug treatment service expenditures for the balance of the current fiscal year exceed the average actual amounts that have been paid during the first 10 months of the fiscal year. Based on actual fiscal year expenditures in April 2000, expenditures for the last two months of FY 1999-2000 should be approximately $395,280 or $40,138 less than the Department's projected $435,418, as follows.

Budget Analyst's Residential Drug Treatment Service Cost Projections for May and June 2000

Average number of beds used April, 2000	108
Average cost per bed per day	$60
Number of days in May and June	61
Total estimated cost last two months FY 1999-2000	$395,280
Sheriff's projected cost last two months FY 1999-2000	$435,418
Difference	$40,138

The $700,000 requested for residential drug treatment services could thus be reduced by $40,138 to $659,826.

7. The Department's $9,820 expenditure projections for the new Deputy Sheriff position assume that the position will be hired and in place for 2.4 pay periods of FY 1999-2000. Given that the date of this hearing is scheduled to be May 24, 2000 and final approval by the full Board of Supervisors will not occur until June 5, 2000, it is not possible for the new position to be filled and paid for 2.4 pay periods this fiscal year. Further, the new position should be reviewed as part of the Sheriff's proposed FY 2000-2001 budget if the Mayor adds this position to the budget. This approach would offer an opportunity to review the Department's ability to perform this State-mandated function with existing authorized personnel. Accordingly, the $9,820 requested or this purpose should be deleted from this supplemental appropriation request.

8. The Budget Analyst suggests that the Sheriff develop an overtime tracking and reporting system that will provide upper management with more details on why overtime is being used throughout the Department to enable the Sheriff and managers to take corrective action when these costs exceed the amounts budgeted.

9. The Budget Analyst suggests that the Sheriff negotiate with TechProse in FY 2000-01 so that the contract specifies costs for services and that the contractor justify use of only senior staff for further work.

10. The Budget Analyst suggests that the Sheriff re-analyze staffing needs for City Hall security and devise a plan that will call for less reliance on overtime without increasing security risks.

Recommendations: 1. Amend the proposed supplemental appropriation to reduce the amount of the General Fund Reserve as a source of funds by $206,837 from $4,901,934 to $4,695,097 as follows:

Item	From	To	Reduction
Funding Sources			
General Fund Reserve (Page 1, line 15)	$2,142,114	$1,935,277	$206,837
Funding Uses			
Permanent Salaries (Page 2, line 2)	5,200	0	5,200
Retirement Pick-up (Page 2, line 4)	1,120	0	1,120
Materials and Supplies (Page 2, line 4)	3,500	0	3,500
Workers Compensation (Page 2, line 10)	350,000	333,300	16,700
Overtime (Page 2, line 15)	1,018,327	878,148	140,179
Professional Services (Page 2, line 23)	700,000	659,862	40,138

2. Approve Item 5, File 00-0774, as amended in the amount of $4,695,097.

3. Disapprove Item 6, File 00-0787, the ordinance to establish a new 8304 Deputy Sheriff position, since creation of that new position should be considered as part of the Sheriff's FY 2000-2001 budget review.

Item 7 - File 00-0775

Department: Fire Department

Item: Ordinance appropriating $2,249,123 from the General Fund Reserve, $500,000 from Fire Department permit fee revenues, and rescinding and re-appropriating $1,270,259 from the departmental lease/purchase budget, to fund salaries, overtime, fringe benefits, workers compensation, uniforms and protective clothing at the Fire Department, for Fiscal Year 1999-2000.

Sources of Funds:

General Fund Reserve	$2,249,123
Additional FY 1999-2000 Fire Department Fee Revenues	500,000
Re-appropriated FY 1999-2000 Fire Department Lease/Purchase Funds	1,270,259
Total	$4,019,382

Description:

Fund Sources

Additional Fire Department Fee Revenues ($500,000)

Increased demand for Fire Department services and fee collections have produced excess FY 1999-2000 revenues in the amount of $500,000, as estimated by the Controller and the Fire Department.

Re-appropriated Fire Department Lease/Purchase Funds ($1,270,259)

The proposed supplemental appropriation ordinance would re-appropriate Fire Department funds originally budgeted for equipment lease/purchase in the amount of $1,270,259. According to Ms. Ben Rosenfield of the Mayor's Budget Office, the $1,270,259 in available funds results from interest earned on the lease/purchase debt service reserve fund and from reductions to debt service reserve requirements in relation to the principal amount outstanding, totaling $1,270,259.

Fund Uses

A summary of the proposed fund uses is shown below:

Permanent Salaries-Uniform	$402,151
Mandatory Fringe Benefits	88,473
Uniformed Overtime	1,099,656
Workers Compensation	1,280,259
Uniforms	1,148,843
Total	$4,019,382

Table I on the following page, titled "Fire Department Expenditure Projections," includes the revised FY 1999-2000 budgeted expenditures and the year-to-date expenditures for the first ten months of the fiscal year (through April 14, 2000, for Salaries, Premium Pay, Overtime, Holiday Pay, and Mandatory Fringe Benefits, as detailed in the Controller's Monthly Projection Report for the period ending April 30, 2000.

The year-end projection figures for Salaries, Premium Pay, Overtime, Holiday Pay, and Mandatory Fringe Benefits were obtained from the Controller's Monthly Salary and Fringe Benefit Projection Report, using the amounts expended in the pay period ending April 14, 2000, as the basis for determining the year end projections. Premium Pay, Holiday Pay and Mandatory Fringe Benefit revised budget figures reflect journal entries by the Controller.

The projection for Workers Compensation was obtained from the Controller's Report of May 5, 2000, to the Mayor and the Board of Supervisors. The projection for Uniforms is based on the Department's estimate. The Surplus/Deficit column displays the difference between the revised budget and the year end projection.

Table I
Fire Department Expenditure Projections

Use	Revised Budget	Current YTD	Year End Projection	Surplus (Deficit)	Amount Requested
Salaries	$111,360,414	$85,237,603	$108,001,845	$3,358,569	$402,151
Premium Pay	9,592,460	7,503,301	9,592,460	0	0
Overtime	3,586,076	6,165,979	8,090,094	(4,504,018)	1,099,656
Holiday Pay	843,142	813,619	843,142	0	0
Subtotal Salaries	**$125,382,092**	**$99,720,502**	**$126,527,541**	**$(1,145,449)**	**$1,501,807**
Mandatory Fringe Benefits	18,937,595	15,157,819	18,948,076	(10,481)	88,473
Subtotal Salaries and Benefits	**$144,319,687**	**$114,878,321**	**$145,475,617**	**($1,155,930)**	**$1,590,280**
Workers Compensation	5,200,000	5,116,237	6,480,259	(1,280,259)	1,280,259
Uniforms	13,834	586,411	1,162,677	(1,148,843)	1,148,843
Total	**$149,533,521**	**$120,580,969**	**$153,118,553**	**$(3,585,032)**	**$4,019,382**

As shown in Table I, the current projected deficit for salaries and fringe benefits for FY 1999-2000 is $1,155,930. When added to the Controller's projected Workers' Compensation deficit of $1,280,259 and the amount requested for Uniforms of $1,148,843 the total Fire Department expenditure deficit is $3,585,032.

Explanation of Expenditure Request:

1. *Permanent Salaries-Uniform ($402,151)*
   Fringe Benefits ($88,473)

Ms. Debra Ward Chief Financial Officer of the Fire Department reports that the Department is requesting a total of $490,624 for uniformed salaries ($402,151) and mandatory fringe benefits ($88,473) to fund costs incurred in hiring a class of 36 classification H2 Firefighter Recruits that commenced training on April 17, 2000.

2. *Overtime ($1,099,656)*

The projected deficit in Fire Department Overtime is $4,504,018, as shown in Table I above.

The Finance and Labor Committee held a hearing on November 10, 1999, to consider Fire Department overtime (File 99-1941). As a part of the overtime review, the Fire Department prepared a spending plan for the remainder of FY 1999-2000 that projected changes in the rate of spending for salaries and fringe benefits as new Firefighter personnel were hired, thus diminishing the need for overtime expenditures in the second half of FY 1999-2000 to backfill for vacancies in Fire Suppression units. The Fire Department's spending plan submitted to the Finance and Labor Committee at that time projected a net year end surplus in salaries and fringe benefits of $1,261,235, including a projected deficit in overtime spending (offset by surpluses in other salaries and fringe benefits) of $841,983. However, as shown in Table I on the preceding page, the Fire Department now faces a net projected deficit for FY 1999-2000 of $1,155,930 in salaries and fringe benefits, including overtime, indicating that the Fire Department has expended $2,417,165 more than projected in the November of 2000 spending plan ($1,261,235 plus $1,155,930).

The current projected deficit in Overtime spending (offset by surplus in salaries and fringe benefits) is $4,504,018, as shown in Table I, or $3,662,035 more in overtime spending than the $841,983 (offset by surplus in salaries and fringe benefits) projected by the Fire Department in November, 1999.

The Attachment to this report is a memorandum from Ms. Ward explaining why the current projection for Fire Department Salary and Fringe Benefit spending, including

overtime exceeds the Department's spending plan of November 1999 by a total of $2,417,165.

3. *Workers Compensation ($1,280,259)*

According to Ms. Ward, the projected deficit in Workers Compensation is due to "several unforeseen catastrophic illnesses," as follows: (1) One retiree, who sustained a head injury while employed by the Department, has been admitted to a Skilled Nursing Facility at a cost of approximately $1,000 per day; (2) One retiree received a heart transplant early in FY 1999-2000; and (3) One other retiree is scheduled to receive a heart transplant as soon as a suitable organ becomes available. These three cases alone account for all of the unanticipated total excess spending on workers compensation claims.

4. *Uniforms ($1,148,843)*

According to Ms. Ward, the Fire Department anticipates spending approximately $1.15 million for station and dress uniforms, and for personal protective clothing during FY 1999-2000.

According to Ms. Ward, the budget that was submitted and approved for the current fiscal year did not include any funding specifically for personal protective clothing or uniforms. According to Ms. Ward, this oversight occurred as a result of the manner in which personnel protective clothing and uniforms were previously budgeted and ordered. In previous years, the budget for such purchases was placed in the Operations Division but the responsibility for ordering and distributing these items rested with the Division of Support Services. To ensure that this type of oversight does not occur in the future, funding for personal protective clothing and uniforms is now budgeted in the Division of Support Services, which is responsible for ordering, inventory control and distribution of personal protective clothing.

As a part of the ongoing performance audit of the Fire Department, Budget Analyst staff have noted instances of Firefighters in uniforms below acceptable standards. We have also noticed large holes in protective boots and ill-fitting uniforms. Further, the Budget Analyst has been informed

that some standard uniform items have not been distributed to Firefighters this year.

Comment: As noted above in Table I, the proposed supplemental appropriation of $4,019,382 is $434,350 more than the total projected deficit using current expenditure data of $3,585,032.

Therefore, the proposed supplemental appropriation of $4,019,382 should be reduced by $434,350 to $3,585,032.

Recommendation: 1. Amend the proposed supplemental appropriation to reduce the amount of the General Fund Reserve as a source of funds by $434,350 as follows:

Item	From	To	Reduction
Funding Sources:			
General Fund Reserve (Page 1, line 13)	$2,249,123	$1,814,773	$434,350
Funding Uses:			
Permanent Salaries – Uniform (Page 1, line 23)	$402,151	$ 0	$ 402,151
Fringe Benefits (Page 2, line 1)	88,473	56,274	32,199

2. Approve the proposed supplemental appropriation as amended.

SAN FRANCISCO FIRE DEPARTMENT

CHIEF FINANCIAL OFFICER

MEMORANDUM

To:	Stan Jones, Budget Analyst
From:	Debra Ward, Chief Financial Officer
Date:	May 18, 2000
Subject:	Change in Overtime Projection

As requested, I am forwarding this statement on the reasons for the change in the year-end overtime projections for the Fire Department If you have any additional questions, please feel free t contact me.

In November of 1999 the Department anticipated a year-end salary and fringe benefit surplus of approximately $1,260,000. That projected surplus was based on the hiring of three recruit classes totaling 110 individuals beginning in late November 1999. Those three classes were to be used to replace employees who retired during the year and to reduce the amount of overtime related to employees who were absent from work for various reasons. This included absences due to scheduled vacations, sick leave and disability leave.

Since the beginning of the fiscal year there have been approximately 50 retirements and the average number of employees on disability has been in the range of 85 to 90. This resulted in overtime hires of approximately 20 people per day. The original overtime projections were based on hiring an average of 14 to 16 people per day.

The first class of recruits for this fiscal year did not begin until Monday, April 17, 2000. The Department will not receive any benefit from this class, in terms of the reduction of overtime, in the current fiscal year. As a result the Department is now anticipating a deficit of $1,155,930 in salaries and benefits by the end of Fiscal Year 1999-2000.

Item 8 – File 00-0779

Department: Department of Public Health (DPH)
San Francisco General Hospital (SFGH)

Item: Supplemental Appropriation in the amount of $10,000,000 for San Francisco General Hospital.

Amount: $10,000,000

Source of Funds: General Fund Reserve

Description: The actual current total projected deficit for SFGH is $16,106,410 resulting from a total revenue shortfall of $19,722,784 less expenditure savings of $3,616,374. However, this deficit is offset by net savings in other Divisions of the DPH amounting to $6,165,653 thereby reducing the overall projected DPH deficit to a current DPH projected deficit of $9,940,757.

The following table shows projected FY 1999-2000 surpluses and deficits for all divisions of DPH.

COMMUNITY HEALTH NETWORK	Surplus (Deficit)
San Francisco General Hospital	$(16,106,410)
Laguna Honda Hospital	(600,000)
Primary Care	(3,850,367
Health at Home	709,606
Forensics	(986,850)
Community Health Network Subtotal	$(20,834,021)
POPULATION, HEALTH AND PREVENTION	
Central Administration	$ 490,247
Community Health	227,263
Mental Health	9,129,674
Substance Abuse	1,046,080
Population, Health and Prevention Subtotal	$ 10,893,264
Total Deficit	$(9,940,757)

Detailed projections for each of the DPH Divisions summarized in the table above are shown in Attachment 1 to this report.

Attachment 2 to this report provides a written description of the surpluses or deficits in each DPH Division and the effects on DPH programs.

Comments:

1. The Budget Analyst has reviewed FY 1999-2000 detailed revenue projections for SFGH. The projected revenue shortfall of $19,722,784 is largely comprised of a total deficit of approximately $22.1 million in: a) Short Doyle Medi-Cal revenue for in-patient psychiatric beds ($2.2 million), b) Medi-Cal patient revenue ($13.2 million), c) Medicare revenue ($4.2 million) and, d) miscellaneous patient revenue ($2.4 million). These revenue shortfalls are offset by approximately $2.4 million in revenue that exceeds budget estimates for State Realignment funds ($1.0 million) and $1.4 million in new patient revenues offset by uncollectible accounts.

The significant revenue shortfall of approximately $13.2 million in Medi-Cal patient revenue is comprised largely of an anticipated $10.0 million reduction in SB855 Disproportionate Share revenues. According to DPH, $39 million in SB 855 revenue was budgeted for FY 1999-2000 and the DPH now estimates that actual SB 855 revenues will be approximately $29 million. DPH states that SB 855 revenues tend to fluctuate widely, noting that in FY 1998-99, DPH received a total of $44 million in SB 855, or $5.0 million more than budgeted.

DPH states that they have not received written notification of actual SB 855 revenues that will be received from the State for FY 1999-2000. Such written notification is anticipated prior to the end of the current Fiscal Year.

Ms. Monique Zmuda, Chief Financial Officer of DPH, anticipates that the ongoing net revenue impact, after adjustments for rate changes and other revenue increases, will be a reduction in SFGH revenue of approximately $17.0 million (including a $10.0 million reduction in anticipated SB 855 revenue) in FY 2000-2001.

3. The Budget Analyst has reviewed the DPH deficit projections and the supporting detailed revenue projections for SFGH. Based on the financial information submitted by the DPH, the Budget Analyst concurs with the current projected net DPH deficit of $9,940,757.

4. On February 9, 2000, the Finance and Labor Committee conducted a hearing on the Department of Public Health's financial condition (File 00-0226). At that time the DPH projected a department-wide FY 1999-2000 deficit of $15,435,508. The DPH also presented a deficit reduction plan to the Finance and Labor Committee that, according to DPH estimates at that time, would reduce the deficit to approximately $4,000,000. Since that time however, the DPH has revised its SB 855 Revenue estimate to reflect the anticipated loss of $10,000,000 as discussed above, which when added to the $4,000,000 remaining year end deficit projected in February of 2000, resulted in a total of $14,000,000 or $4,000,000 more than this requested supplemental appropriation of $10,000,000. Attachment 3 to this report discusses the changes that have occurred to DPH budget projections since the February 9, 2000 hearing. The primary change has been that DPH has received an additional $4.0 million in SB 90 State funding, reducing the anticipated deficit to the requested amount of $10,000,000.

5. As noted above, DPH's current projected deficit for all Divisions totals $9,940,757 or $59,243 less than the $10,000,000 amount requested. Therefore, the proposed supplemental appropriation can be reduced by $59,243. As noted in Attachment 3, should SB 855 actual revenues for FY 1999-2000 not decrease by the anticipated amount of $10,000,000, then surplus revenues will be returned to the General Fund Reserve.

Recommendations:

1. Amend the proposed supplemental appropriation by reducing the amount requested from the General Fund Reserve by $59,243 from $10,000,000 to $9,940,757 in accordance with Comment 5 above.

2. Approve the proposed supplemental appropriation as amended.

Department of Public Health
FY 99-00 Revenue and Expense Projections
8th Month - Revised

	REVENUES			EXPENDITURES			SUBTOTAL
Division	Revised Budget	Current Projection	Surplus/ (Deficit)	Revised Budget	Current Projection	Surplus/ (Deficit)	Surplus/ (Deficit)
Community Health Network							
SFGH	$ 467,014,099	$ 447,291,315	$ (19,722,784)	$ 467,014,099	$ 463,397,725	$ 3,616,374	$ (16,106,410)
Laguna Honda	123,045,468	125,445,468	2,400,000	123,045,468	126,045,468	(3,000,000)	(600,000)
Primary Care	41,537,430	37,619,726	(3,917,704)	41,537,430	41,470,093	67,337	(3,850,367)
Health at Home	4,526,315	4,649,974	123,659	4,526,315	3,940,368	585,947	709,606
Forensics	21,891,324	21,891,776	452	21,891,324	22,878,626	(987,302)	(986,850)
Subtotal	**658,014,636**	**636,898,259**	**(21,116,377)**	**658,014,636**	**657,732,280**	**282,356**	**(20,834,021)**
Population Health & Prevention							
Central Admin	18,447,735	18,479,434	31,699	18,447,735	17,989,187	458,548	490,247
Community Health	56,599,193	56,216,757	(382,436)	56,599,193	55,989,494	609,699	227,263
Mental Health	140,118,482	148,549,443	8,430,961	140,118,482	139,419,769	698,713	9,129,674
Substance Abuse	54,473,864	54,737,323	263,459	54,473,864	53,691,243	782,621	1,046,080
Subtotal	**269,639,274**	**277,982,957**	**8,343,683**	**269,639,274**	**267,089,693**	**2,549,581**	**10,893,264**
Total DPH	**927,653,910**	**914,881,216**	**(12,772,694)**	**927,653,910**	**924,821,973**	**2,831,937**	**(9,940,757)**

Source: Department of Public Health

Projected FY 1999-00 Year-End Surplus/Deficit

	REVENUES			EXPENDITURES			SUBTOTAL
Division	Revised Budget	Current Projection	Surplus/ (Deficit)	Revised Budget	Current Projection	Surplus/ (Deficit)	Surplus/ (Deficit)
Community Health Network							
SFGH	$ 467,014,099	$ 447,291,315	$ (19,722,784)	$ 467,014,099	$ 463,397,725	$ 3,616,374	$ (16,106,410)
Laguna Honda	123,045,468	125,445,468	2,400,000	123,045,468	126,045,468	(3,000,000)	(600,000)
Primary Care	41,537,430	37,619,726	(3,917,704)	41,537,430	41,470,093	67,337	(3,850,367)
Health at Home	4,526,315	4,549,974	123,659	4,526,315	3,940,368	585,947	709,606
Forensics	21,891,324	21,891,776	452	21,891,324	22,878,626	(987,302)	(986,850)
Subtotal	**658,014,636**	**636,898,259**	**(21,116,377)**	**658,014,636**	**657,732,280**	**282,356**	**(20,834,021)**
Population Health & Prevention							
Central Admin	18,447,735	18,479,434	31,699	18,447,735	17,989,187	458,548	490,247
Community Health	56,599,193	56,216,757	(382,436)	56,599,193	55,989,494	609,699	227,263
Mental Health	140,118,482	148,549,443	8,430,961	140,118,482	139,419,769	698,713	9,129,674
Substance Abuse	54,473,864	54,737,323	263,459	54,473,864	53,691,243	782,621	1,046,080
Subtotal	**269,639,274**	**277,982,957**	**8,343,683**	**269,639,274**	**267,089,693**	**2,549,581**	**10,893,264**
Total DPH	**927,653,910**	**914,881,216**	**(12,772,694)**	**927,653,910**	**924,821,973**	**2,831,937**	**(9,940,757)**

COMMUNITY HEALTH NETWORK

San Francisco General Hospital: Year-end projections show a shortfall of $16,106,410.

Revenues are projected to be $19,722,784 under budget due to:

- a $2,174,350 deficit for Short Doyle Medi-Cal revenues due to lower than expected reimbursement for acute inpatient psychiatric services. The Short Doyle match is projected to be as budgeted ($8.2 million);
- a $13,192,725 deficit in Medi-Cal primarily based on significantly lower revenues from the SB855 Disproportionate Share program ($10 million) based on information obtain this month;
- a $4,187,349 deficit in Medicare revenues primarily resulting from lower than expected reimbursement;
- a $9,844,221 surplus in patient revenues is based on actual revenues received year-to-date. This revenue category will be offset by uncollectible accounts;
- a $8,492,986 shortfall in revenues associated with uncollectible accounts. This shortfall will reduce the actual revenues anticipated from accounts receivable included in *patient revenues*;
- a $2,519,595 deficit in miscellaneous revenues primarily due to additional capitation revenue offset by lower than expected IHSS revenue. The IHSS revenue shortfall will be offset by an equivalent savings in work order expense. Capitation revenue and IHSS revenue were recently reclassified as miscellaneous revenues; and
- a $1,000,000 surplus in additional Realignment revenues based on revised estimates from the Controller. Additional Health Realignment revenues were allocated to SFGH to offset other revenue losses.

Source: Department of Public Health

Expenditures are projected to be under budget by $3,616,374 due to:

- a $1,360,571 deficit from salaries and fringe benefits based on year-to-date actual expense;
- a $3,100,000 surplus in materials and supplies primarily from one time savings; and
- a $1,876,945 surplus in workorders from other departments for lower than expected IHSS expense.

Current projections for Medi-Cal SB855 assume revenues of $29 million. This compares to a budget of $39 million. SB855 revenues have been fluctuating significantly over the past 2 years. Last fiscal year SFGH received $44 million from the SB855 DSH program, $15 million more than currently projected.

The current projection of $29 million from the SB855 DSH program is based on recent estimates obtained this month. At this time, DPH has not received written notification of SB855 revenues. More details will be available in the coming months and revenue estimates will be revised. Department staff will keep the Health Commission informed of any significant revisions in SB855 revenue.

Laguna Honda Hospital: Year-end projections show a shortfall of $600,000.

Revenues are projected to be $2,400,000 over budget due to:

- a $4,382,044 surplus in Medi-Cal revenues primarily due to increased census, an increase in the SNF reimbursement rate of $3.78 per day, and a $1.2M rate settlement.
- a $1,414,503 deficit in Medicare revenues primarily due to a shift in payor mix;
- a $464,587 deficit in patient revenues due to an increased allowance for uncollectible accounts; and
- a $102,954 deficit in other miscellaneous revenues primarily due to a decrease in cafeteria meal sales.

Expenditures are projected to be over budget by $3,000,000 due to:

- a $1,565,916 deficit from salaries and fringe benefits based on year-to-date actual expense.
- a $334,084 deficit in contractual services based on spending year-to-date.
- a $600,000 deficit in materials and supplies primarily due to increased pharmaceutical expense; and
- a $500,00 deficit in workorders to other departments for additional workers compensation expense.

Primary Care: Year-end projections show a shortfall of $3,850,367.

Revenues are projected to be $3,917,704 under budget due to:

- a $2,383,968 deficit in Medi-Cal revenues primarily from lower than expect FQHC revenues;
- a $462,069 surplus in Medicare revenues due to higher than expected reimbursement;
- a $945,166 deficit in Patient revenues based on year-to-date actual revenues;
- a $41,085 surplus in miscellaneous revenues primarily from higher than expected capitation payments; and
- a $1,091,724 shortfall in revenues associated with uncollectible accounts. This shortfall will reduce the actual revenues anticipated from accounts receivable included in patient revenues.

Expenditures are projected to be under budget by $67,337 due to:

- a $382,663 deficit from salaries and fringe benefits based on year-to-date actual expense;

- a $350,000 savings in materials and supplies based on year-to-date spending; and
- a $100,000 savings in facilities maintenance from prior year projects.

Health at Home: Year-end projections show a surplus of $709,606.

Revenues are projected to be $123,659 over budget due to:
- a $168,168 surplus in Medi-Cal revenues based on year-to-date actual revenues;
- a $45,729 deficit in Medicare revenues due to lower than expected reimbursement; and
- a $1,220 surplus in Patient revenues.

Expenditures are projected to be under budget by $585,947 due to:
- a $387,481 surplus from salaries and fringe benefits based on year-to-date actual expense;
- a $200,000 surplus in contractual services based on year-to-date spending; and
- a $1,534 deficit in materials and supplies.

Forensics: Year-end projections show a shortfall of $986,850.

Revenues are projected to be $452 over budget due to additional miscellaneous revenues.

Expenditures are projected to be over budget by $987,302 due to:
- a $834,726 deficit from salaries and fringe benefits based on year-to-date actual expense; and
- a $152,576 deficit in materials and supplies primarily from higher than expected pharmaceutical expense.

POPULATION HEALTH AND PREVENTION

Central Administration: Year-end projections show a surplus of $490,247.

Revenues are projected to be $31,699 over budget due to:
- a $21,731 surplus in Medi-Cal revenues primarily from prior year settlement; and
- a $9,968 surplus in miscellaneous revenues.

Expenditures are projected to be $458,548 under budget due to a surplus from salaries and fringe benefits based on year-to-date actual expense.

Community Health: Year-end projections show a surplus of $227,263.

Revenues are projected to be $382,436 under budget due to:
- a $3,945 surplus in Medi-Cal revenues primarily from additional prior year MAA/TCM revenue offset by less than expected miscellaneous Medi-Cal revenue;
- a $166,438 surplus in Medicare revenues primarily from the TB clinic;
- a $1,104,759 deficit in patient revenues primarily from lower than expected CCS revenues;
- a $562,287 surplus in miscellaneous revenues primarily due to additional indirect cost revenue; and
- a $10,347 deficit in social service Realignment revenues.

Expenditures are projected to be under budget by $609,699 due to:

- a $390,085 savings from salaries and fringe benefits based on year-to-date actual expense; and
- a $219,614 surplus in contractual services primarily as a result of expenditure reductions to offset revenues shortfalls in the CCS program.

Mental Health: Year-end projections show a surplus of $9,129,674.

Revenues are projected to be $8,430,961 over budget due to:

- a $500,000 surplus in Short Doyle Medi-Cal due to higher than expected reimbursement;
- a $697,715 deficit in Medicare revenues resulting from lower than expected reimbursement;
- a $15,532 surplus in patient revenues based on year-to-date actual revenues;
- a $7,813,144 surplus in miscellaneous revenues primarily from prior year SB90 revenue of $8.0 million; and
- $800,000 surplus from additional Realignment revenues based on revised estimates from the Controller.

Expenditures are projected to be under budget by $698,713 due to:

- a $751,261 deficit in salary and fringe benefit benefits based on year-to-date actual expense;
- a $1,562,000 savings in contractual services primarily from the late start up of services;
- a $96,805 surplus in materials and supplies; and
- a $208,832 deficit in work order expenses that are higher than expected for workers comp ($130,000) and city attorney ($78,832).

Substance Abuse: Year-end projections show a surplus of $1,046,080.

Revenues are projected to be $263,459 over budget due to:

- a $200,000 surplus Short Doyle Medi-Cal revenues that are higher than expected; and
- a $63,459 surplus in miscellaneous revenues.

Expenditures are projected to be $782,621 under budget due to:

- a $182,621 savings in salary and fringe benefits based on year-to-actual expense; and
- a $600,000 savings in contractual services as a result of one-time savings from the delayed startup of new programs.

City and County of San Francisco | Department of Public Health

MEMORANDUM

Date: May 18, 2000

To: Harvey Rose
Budget Analyst

From: Monique Zmuda
Chief Financial Officer

Subject: Supplemental Appropriation for San Francisco General Hospital

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This memo is in response to your request for information on the $10 million supplemental appropriation for San Francisco General Hospital.

The projected deficit for the Department of Public Health as of the six months ending March 2000 was $4 million. At that time revenues from the SB855 Disproportionate Share Program were projected to be $39 million, as budgeted.

In the intervening months, two significant changes to revenue projections have occurred. The first change is that $4 million in additional SB90 revenues have been received which can be applied to the Population Health and Prevention division in the current fiscal year. The second change is that SB855 revenues are estimated to be $29 million, a $10 million reduction from the current budget of $39 million. Department staff obtained this information last month from the California Association of Public Hospitals and the State Department of Health Services. Written notification of the current year SB855 revenue has not yet been received. As a result, the current year deficit is projected to be $10 million, primarily a result of the $10 million loss in revenues from the SB855 Disproportionate Share Program.

The Department of Public Health is requesting a $10 million supplemental appropriation for San Francisco General Hospital based on current projections. However, should actual revenues received in the current year from the SB855 Disproportionate Share Program actually exceed current estimates, then surplus General Funds will be returned to the City and County at year end.

If you have any questions, please call me at 554-2605.

Item 9 - File 00-0840

Department:	Airport
Item:	Resolution approving a new banking services lease in the North, Central, and South Terminal Buildings between Bank of America, National Association, and the City and County of San Francisco, acting by and through its Airport Commission.
Location:	The North, Central and South Terminal Buildings, San Francisco International Airport
Purpose of Lease:	The proposed new six-year lease would provide space in the Airport's North, Central and South Terminals to Bank of America, Inc. for banking services, including one Bank of America branch location and up to 10 Automated Teller Machines (ATM) at five different locations (See Comment No. 1). Under the proposed lease, Bank of America would be required to install at least one ATM at each of the five locations, and would have the option to install two ATMs at each location, for a maximum of 10 ATMs. These ATMs would operate 24 hours per day, seven days a week at five locations as shown in Attachment I provided by the Airport.
Lessor:	City and County of San Francisco, acting by and through its Airport Commission.
Lessee:	Bank of America, National Association
Square Feet and Monthly Rental Revenues Payable by Bank of America	$21,750 per month ($261,000 annually). 30 percent of this $21,750 monthly rent, or $6,525, is prorated for the bank branch location. The branch location consists of 1,058 square feet, with a rent of $6.17 per month per square foot. 70 percent of the monthly rent of $21,750, or $15,225, is prorated for the five ATM locations. Mr. Rhoades advises that

the Airport does not calculate rent for ATM locations based upon square feet.

Annual Rental Revenues Payable by Bank of America to the Airport:

The Minimum Annual Guarantee of $261,000 for the proposed lease (to operate one branch location and up to 10 ATMs) is $46,840 more than the Minimum Annual Guarantee of $214,160 for the existing lease (to operate two branch locations and eight ATMs). Beginning with the first year of the lease, and through the duration of the six-year lease period, the base annual rent payable by Bank of America to the Airport for the subject lease would be the Minimum Annual Guarantee of $261,000 (subject to Consumer Price Index annual adjustments) plus *Percentage Rent* and *Transaction Rent*, defined in the lease as follows:

> *"Percentage Rent" means rent paid in addition to and without set off against the [Minimum Annual Guarantee], in an amount equal to thirty-three percent (33%) of any Transaction Surcharge and/or changes for Optional Uses [defined as shown in Attachment II to this report] approved by Director and charged to ATM Customers who use the ATMs on the Premises.*
>
> *"Transaction Rent" means rent paid in addition to and without set off against the [Minimum Annual Guarantee], in an amount equal to ten cents ($0.10) for each Customer Use of Tenant's ATM on the Premises except that Transaction Rent shall not be payable with respect to 1) ATM Customer Use as to which Percentage Rent is payable, and 2) ATM Customer Use for which no transaction is completed due to reject of a customer's card or aborting by the customer of the ATM Customer Use prior to concluding any transaction.*

According to Mr. Rhoades, Bank of America plans to request permission from the Airport Director to

impose a transaction surcharge on all non-Bank of America customers using the ATMs covered by the subject lease, as stated in Attachment III, provided by the Airport. Under the terms of the lease, Bank of America may not charge a transaction surcharge of more than $1.50 per customer use, and Bank of America would pay the Airport 33 percent of those surcharges. Under the terms of the lease, Bank of America must have written approval from the Airport Director to impose a transaction surcharge.

According to Mr. Rhoades, the Airport has not projected future revenues to be paid by Bank of America to the Airport, in addition to the Minimum Annual Guarantee of $261,000, based on anticipated Percentage and Transaction Rent payments.

Attachment III also contains: (a) the companies that currently hold leases with the Airport for ATMs in the North, Central and South Terminals of the Airport; (b) the annual Minimum Annual Guarantees paid by each of these companies to the Airport for the ATMs totaling $509,083 annually, and; (c) the total combined revenues from surcharges of $315,192 paid to the Airport by these companies for the ATM leases during 1999.

Term of Lease: The proposed lease would be for a six-year period, commencing on September 26, 2000 and terminating on September 25, 2006.

Right of Renewal: The Airport would have sole discretion to grant two one-year extensions.

Utilities and Janitor Provided by Lessor: The Lessee pays for the cost of all utilities and janitorial services.

Tenant Improvements: The Lessee would be required, at its sole cost, to make improvements to the bank branch location. Bank of America's costs for these improvements shall not be less than $150 per the 1,058 square

feet of the bank branch location, for a total of $158,700 ($150 times 1,058 square feet). Mr. Rhoades anticipates that these improvements will be completed by the September 26, 2000 lease commencement date.

Description:

On November 2, 1999, the Airport Commission approved final specifications for the Domestic Banking Services Lease for the North, Central, and South Terminal Buildings. Subsequently, on February 22, 2000, the Airport Commission adopted a resolution awarding the lease to Bank of America, Inc., the sole bidder, with a Minimum Annual Guarantee of $261,000. As stated in Attachment III, provided by the Airport, the Airport issued Invitations to Bid for the Domestic Banking Services Lease to 113 firms. According to Mr. Rhoades, and as stated in Attachment III, several banks initially expressed interest in participating in the bid process, but chose not to submit bids. Mr. Rhoades advises that these banks gave no explanation for their decision not to submit bids.

Under the proposed lease, Bank of America would operate up to 10 ATMs at five different locations throughout the Airport's domestic terminals, as well as one bank branch location.

Comments:

1. According to Mr. Rhoades, Bank of America currently has a lease with the Airport for banking services, under which Bank of America operates two branch offices and eight ATMs at five locations. This existing lease began in 1986 and expired in April of 1999. According to Mr. Rhoades, the Airport has since continued the existing lease with Bank of America on a month to month basis, and will continue to do so until the subject new lease goes into effect. Mr. Rhoades advises that Bank of America was offered this month-to-month lease beginning in May of 1999 so that the Airport could continue offering banking services in the old International Terminal until it closed on September 25, 2000 in anticipation of the new

International Terminal opening on September 26, 2000.

2. According to Mr. Rhoades, Bank of America currently pays to the Airport a Minimum Annual Guarantee of $214,160 for the existing lease, plus additional rent based on surcharges charged to certain ATM customers, totaling $108,080 in 1999, for a total rent of $322,240 in 1999 paid by Bank of America to the Airport. (See Attachment III for additional details on this lease). The Minimum Annual Guarantee of $261,000 for the proposed lease (to operate one branch location and up to 10 ATMs) is $46,840 more than the Minimum Annual Guarantee of $214,160 for the existing lease (to operate two branch locations and eight ATMs). According to Mr. Rhoades, one of the two branch offices and one of the ATM locations operated by Bank of America under the existing lease are located in the old International (Central) Terminal, which the Airport plans to close when the new International Terminal opens on September 26, 2000. (The Board of Supervisors recently approved a concession lease for ATMs in the new International Terminal with Travelex America, Inc. (File No. 00-0235).

3. The subject lease requires the Bank of America to pay to the Airport an annual Initial Promotional Charge of $1,308 per year for advertising costs. This annual fee includes $1,058 for the bank branch location (one dollar per each of the 1,058 square feet the branch office) and $250 for all five of the ATM locations ($50 times five ATM locations).

4. In November of 1999, the voters of San Francisco approved Proposition F to prohibit banks and other financial institutions from charging a fee to persons who do not have an account with that bank or financial institution, for use of that bank or financial institution's automated teller machines in San Francisco. These fees are often in addition to fees charged to the customer by the customer's own bank. In response to passage of Proposition F, Bank

of America, Wells Fargo and the California Bankers' Association sued the City, arguing that the City had no authority to restrict the fees that banks charge customers. In November of 1999, a U.S. District Court Judge granted a preliminary injunction preventing the City from enacting Proposition F. According to Mr. Matthew Davis of the City Attorney's Office, upon appeal, the injunction was upheld in the U.S. 9th Circuit Court of Appeals. The case has now moved to trial in the U.S. District Court. The banks have asked the Court to issue a final order declaring Proposition F to be not valid. No trial date has been set. Mr. Davis advises that the City Attorney's Office has not yet formally determined whether Proposition F's restriction on surcharge fees would apply to ATMs at the Airport.

5. The proposed lease states that if the courts uphold Proposition F, and determine that Proposition F applies to the ATMs at the Airport covered by the subject leases (thereby precluding transaction surcharges being charged by Bank of America, Inc. to ATM customers at the Airport), Bank of America would have the option to terminate the subject Domestic Banking Services Lease with the Airport, without penalty. (See Attachment IV, provided by the Airport, for an explanation of this provision in the subject lease).

Recommendation: Approval of the proposed resolution is a policy matter for the Board.

EXHIBIT A
PREMISES

DOMESTIC BANKING SERVICE LEASE

Domestic Bank Branch and Automated Teller Machine (ATM) Locations

ATM Site #1	North Terminal Boarding Area F (second level) in the Hub next to Golden Gate Connection post-security. (current Bank of America ATM location)
Branch Location and ATM Site #2	North Terminal (mezzanine level) approximately 1,058 square feet (current Bank of America branch and ATM location)
ATM Site #3	North Terminal (second level) across from Gate 70 post-security. (current Bank of America ATM location)
ATM Site #4	South Terminal Boarding Area B (second level) pre-security next to TWA ticket counter. (current Bank of America ATM location)
ATM Site #5	North Terminal (second level) across from Gate 74. (new ATM location)

Source: Airport

EXHIBIT B
USE AND OPERATIONAL REQUIREMENTS

1. GENERAL REQUIREMENTS: All Banking and ATM services shall be provided on a non-exclusive basis, and Airport reserves the right to sell and to permit other Airport tenants to provide such services. Tenant may not offer any services not described below as being "Required" or "Optional", without Director's prior consent.

2. REQUIRED/OPTIONAL SERVICES: In the event Director permits any service to be sold or offered that is not listed below, or otherwise permits any other change in the Permitted Use, this Exhibit shall be deemed amended without need for a formal amendment of this Lease. Tenant shall be required to operate the Premises in accordance with the requirements, and offer the services, as described below.

A. Required Branch Uses:

Tenant shall provide the following service:

1. Personal and commercial deposit and savings accounts
2. Certificates of deposit, money market accounts, etc.
3. Loans
4. Travelers Checks, cashiers checks, money orders
5. Bank wires
6. Lines of credit
7. Cash advances on bank cards
8. Check cashing, cash withdrawals
9. Merchant change orders
10. *Night depository

* The Airport may request a Premises Change (section 1.2Ac) for additional Night Depository locations within Airport terminals. The additional locations if provided are viewed as extensions to the Bank Branch and for the sole use of making night deposits.

B. Required ATM Uses:

Tenant shall provide the following services, on a non-exclusive basis:

1. Dispense United States currency.
2. Provide access to network support for no less than four of the following networks: Plus, Star, Cirrus, GlobalAccess and Interlink; and accept no less than four of the following credit cards: American Express, Diner's Club, MasterCard, Visa, Discover/Novus Card.
3. Provide a written receipt of each transaction.
4. Provide display functions on user operation.
5. Display transaction fee/surcharge information.

Source: Airport

C. Optional Uses:

Tenant may provide, on a non-exclusive basis, the following "Optional Uses" if approved in writing by the Director. Any "Optional Use" for which Tenant receives or charges a commission, surcharge or other fee shall be subject to payment of Percentage Rent as described in **Section 4** of this Lease.

Optional Branch Uses:

1. Provide coin rolling.
2. Check cashing payroll or checks for Airport tenants.

Optional ATM Uses:

1. Provide access to financial networks and credit cards other than those required under ***Exhibit B 2.A.2***, hereto.
2. Dispense traveler's checks.
3. Dispense United States postage stamps at face value.
4. Provide tickets for San Francisco regional area cultural, performing arts and sporting events.
5. Dispense airline tickets.
6. Display animated software graphics.
7. Accept deposits to accounts.
8. Handle debit card transactions.

Other services consistent with the operations of ATMs that can be demonstrated to benefit customers and the traveling public, if and as approved by the Airport Director.

3. **PROHIBITED MERCHANDISE**: Tenant understands and agrees that the following products or services are not included within the Permitted Use, without the prior written consent of Director, which consent may be granted or denied in Director's absolute and sole discretion.

Prohibited Branch and ATM Uses:

1. Any and all sales of phone cards.
2. Dispense or exchange foreign currency.
3. Offer gambling of any kind.
4. Display advertising, except for the electronic display of Tenant's services during "wait" times while transactions are processing, which shall not be deemed to be advertising prohibited hereunder.
5. Sell any type of merchandise.
6. The sale or delivery of any duty free/in-bond merchandise.
7. Any and all sales from vending machines or other mechanical devices, including but not limited to such items as: cigarettes, candy, maps, coffee and soft drinks, newspapers, stamps and insurance policies.
8. Any and all sales of meals, alcoholic beverages by the drink, and soft drinks, whether for immediate consumption or for public sale.

9. Any and all sales of bottled water and boxed, bottled, or canned juice.
10. Freshly prepared popcorn or peanuts in the shell or other baked products intended for immediate consumption.
11. Souvenir items.
12. Any and all sales or rental of telecommunications equipment.

AIRPORT COMMISSION
SAN FRANCISCO INTERNATIONAL AIRPORT
CITY AND COUNTY OF SAN FRANCISCO

INTER- OFFICE MEMORANDUM

TO: Emilie Neumann
Budget Analyst's Office

DATE: May 17, 2000

FROM: Mark S. Anthony

SUBJECT: File #00-0840-Airport Domestic Banking Services Lease

Below please find the background information you requested regarding the Resolution before the Board of Supervisors approving the Airport's Lease for Domestic Banking Services.

SURCHARGES

We understand that Bank of America, National Association plans to charge a surcharge as permitted in Exhibit B to the Lease. The Amount of the surcharge will not exceed $1.50.

The Airport will receive 33% of any surcharge Bank of America charges.

CURRENT DOMESTIC BANKING AND ATM LEASE AGREEMENTS

Bank of America currently has two leases:

(1) Domestic Banking and ATM Lease L86-0039 with two bank branches, eight ATM machines, and current MAG of $214,160 (plus additional transaction and surcharge rents). This Lease is currently month-to-month and will terminate on September 25, 2000 when the existing International Terminal closes.

(2) ATM Lease L97-0240 with six ATM machines and a MAG of $107,451 (plus additional transaction and surcharge rents). This lease will terminate January 29, 2001.

Wells Fargo Bank currently has one lease:

(1) Wells Fargo Bank ATM Lease 97-0293 with 10 ATM machines and a MAG of $187,472 (plus additional transaction and surcharge rents). This lease will terminate February 15, 2001.

The total amount of rental revenue generated from transaction rents and surcharge rents by current leases in calendar year 1999 and paid to the Airport are as follows:

Tenant/Lease	Transaction/Surcharge Rent Revenue 1999
Bank of America L-82-0039	$108,080
Bank of America L97-0240	$68,926
Wells Fargo Bank L97-0293	$138,186
Total	$315,192

BIDDING PROCESS

The Airport offered Invitations to Bid for the Domestic Banking Services to 113 firms. Staff received one bid from Bank of America, National Association for $261,000. Several banks initially showed interest in participating in the bid process but chose not to submit bids; no explanation was given for the nonparticipation.

PROPOSED PROVISION FOR BANK OF AMERICA, NATIONAL ASSOCIATION DOMESTIC BANKING LEASE RE: ATM SURCHARGES

The parties acknowledge as follows: In November 1999, the people of the City and County of San Francisco found and declared that surcharges imposed by financial institutions on customers for accessing an ATM of that financial institution are, among other things, unfair and anti-competitive. Based on such findings, the people of the City and County of San Francisco passed a law known as Proposition F [ATM fees] ("Proposition F") prohibiting financial institutions from imposing such surcharges. The parties agree that if and when Proposition F is deemed by a court of competent jurisdiction to be applicable to Tenant's operations at the Airport, City shall provide written notice to Tenant of such decision at the address and to the person set forth in the notice provision of this Lease.

Upon receipt of such written notice, Tenant shall have the option to terminate this lease provided that Tenant delivers a written termination notice to City within thirty (30) days after receipt of the written notice from the City that Proposition F is deemed by a court of competent jurisdiction to be applicable to Tenant's operations at the Airport. In the event Tenant fails to deliver a written termination notice to City within such 30-day period, then such termination option shall be null and of no further force and effect and Tenant shall thereafter abide by such law. In the event Tenant does deliver such termination notice within such 30-day period, then this Lease shall terminate on the date that is ninety (90) days after City's receipt of such notice from Tenant.

Source: Airport

Item 10 - File 99-0252

Item: Ordinance amending the Administrative Code to require that a minimum level of compensation (a "living wage"), compensated time off, and health benefits be provided to certain employees of contractors providing services to the City and County and to be provided by contractors who enter into contracts with the City for the exclusive use of property owned by the City; and providing that the number of hours of services required of General Assistance recipients who are performing services in order to maintain eligibility shall be calculated using the living wage.

Description: The proposed ordinance would amend the Administrative Code to require that private contractors which have service contracts with the City and private firms which have property leases for the use of property owned by the City provide certain employees with the following:

- A living wage of $11 per hour which shall be adjusted annually by the percentage increase in the Consumer Price Index.

- Either (a) a paid membership in a group health insurance plan; or (b) cash in an amount that is no less than the individual rate for the base group rate of the Health Maintenance Organization (HMO) with the most members in California, which is currently Kaiser Permanente. Under the proposed ordinance, City service contractors and leaseholders would only be required to provide such health insurance benefits to employees earning less than the prevailing living wage rate (initially $11 per hour).

- Compensated time off equal to 0.231 days per work week (12 days annually) for sick leave, vacation or personal necessity; or provide a cash equivalent.

- Uncompensated time off equal to 0.192 days per work week (10 days annually) for sick leave.

The two types of agreements subject to the ordinance are: (a) services contracts, including service contracts supported by

grant funds, and (b) property contracts for use of property owned by the City, or for which the City has exclusive use, for a term exceeding 29 days. The proposed ordinance covers only an organization's employees who work on service contracts with the City and does not apply to other employees of the organization. It covers home health care workers employed through the In-Home Supportive Services (IHSS) program and employees of companies that lease property from the City. The ordinance would be phased in as service or lease contracts are renewed. The ordinance would exempt City contracts with vendors for the purchase of goods, service contractors with five employees or less, and contractors who are paid less than $25,000 in annual gross receipts by the City. A number of additional exclusions are listed on pages 8-11 of the proposed ordinance.

Comment:

The Office of the President of the Board of Supervisors has advised the Budget Analyst that this proposed ordinance has been scheduled on the May 24, 2000 Finance and Labor Committee agenda for purposes of accepting public testimony.

Further, the Office of the President of the Board of Supervisors has informed the Budget Analyst that the proposed ordinance will be continued in order to allow further time for review and consideration of amendments to the proposed ordinance.

The Budget Analyst will review the amended version of the proposed ordinance when it is completed and prepare a final report to the Board of Supervisors concerning the potential fiscal impact of the proposed living wage ordinance.

Item 11 - File 00-0841

Department: Mayor's Office of Public Finance

Item: Resolution declaring the intent of the City and County of San Francisco to reimburse certain expenditures from proceeds of future indebtedness.

Description: On March 7, 2000, San Francisco voters approved Proposition B which authorized the City to issue up to $87,445,000 in General Obligation Bonds to finance capital improvements to the California Academy of Sciences (the Academy), located in Golden Gate Park. The subject resolution would authorize the City to reimburse the Academy from the proceeds of bonds to be issued pursuant to Proposition B if the Academy advances funds from its own sources for capital improvement costs prior to the City's issuance of bonds on behalf of the Academy. According to Mr. Malcolm Carson of the City Attorney's Office, the subject resolution meets the requirements of Section 1.150-2 of the Treasury Regulations pertaining to tax-exempt bonds which requires the Board of Supervisors to declare its reasonable official intent to reimburse prior expenditures advanced by the Academy from the proceeds of General Obligation Bonds.

Comments: 1. Financing for a renovated, seismically upgraded, and expanded 428,443 square foot Academy facility (the existing facility is 378,443 square feet), at an estimated cost of $147,445,000, would be funded by (a) the $87,445,000 General Obligation Bonds[1], and (b) private financing in the amount of $60,000,000 to be raised by the Academy through private contributions and other government funds. According to Ms. Karen Ribble of the Mayor's Office, the City anticipates two bond issuances on behalf of the Academy, the first in the Fall of 2000 (for approximately $11,750,000), and the second in the Fall of 2001 (for approximately $75,695,000).

[1] The $87,445,000 par amount of the bond consists of (a) $86,230,000 for project costs, and (b) $1,215,000 for the underwriter's discount and the costs of issuance.

2. According to Ms. Ribble, the first bonds will not be issued until the Fall of 2000 and the City intends to commence planning work prior to that date. The Academy will hire consultants to undertake environmental and hazardous materials studies, obtain the necessary permits, and commence design work prior to issuance of the General Obligation Bonds. According to Ms. Ribble, funding for anticipated expenditures of approximately $2,200,000 from July to December of 2000 would initially be advanced by the Academy. The proposed resolution would authorize the City to reimburse the Academy from the General Obligation Bond proceeds for some or all of the expenditures advanced by the Academy, subject to the appropriation approval of the Board of Supervisors. Ms. Ribble states than no work has yet been performed on the Academy renovation and expansion.

Recommendation: Approve the proposed resolution.

Item 12 - File 00-0842

Department: Port of San Francisco

Item: Hearing to consider the release of reserved funds in the amount of $202,900 to remove and replace wooden stairs, a structural landing and an exit door for the Port's Agricultural Building that have been determined as unusable following the winter storms in February of 1998.

Amount: $202,900

Source of Funds: San Francisco Harbor Operating Fund

Description: In November of 1996, (File 101-96-19) the Board of Supervisors placed $1,329,000 on reserve for capital improvement projects pending the Port's selection of contractors, the MBE/WBE status of the contractors and the submission of budget details.

According to the Port's Engineering Department, in February of 1998 winter storms damaged and rendered unusable the wooden stairs, landing structure and exit door, at the Port's Agricultural Building. This repair project consists of removing the existing damaged wooden stairs and existing exit door and replacing them by constructing new galvanized metal stairs and a structural landing and a new exit door in order to comply with the City's Building Code.

Budget: A summary budget for this project is as follows:

Hazardous Material Abatement	$7,940
Construction Management/Inspection	16,000
Subtotal	$23,940
Construction Contract: Replacement Door, Install Door and Stair Rail	$162,691
10% contingency	16,269
Subtotal	$178,960
Total Project Cost	$202,900

Attachment I provided by the Port is the bid summary document for the construction contract amount of $162,691.

Comments:

1. According to Ms. Imani Haygood of the Port, the Agricultural Building is leased to private tenants of the Port. The stairs and landing structure serve as the required fire exit from the east entry, in back of the Agricultural Building's second story, to the roadway below.

2. Ms. Haygood states that on February 2, 2000, the Port issued an Invitation for Bids to repair the damaged stairs, exit door and structural landing. The RFP was sent to the list of approved Human Rights Commission (HRC) contractors, minority newspapers, trade journals and construction related publications. The subcontracting goals for this project were 18 percent MBE participation and seven percent WBE participation. On March 16, 2000 six bids were received by the Port. The Port engineering staff and (HRC) reviewed the bids and Homer J. Olsen, Inc., was selected as the lowest, responsive, responsible bidder meeting the subcontracting goals in the amount of $162,691. The following table lists the contractors and their MBE/WBE subcontracting participation:

Contractor	Quotation	Subcontracting Status
Biller McCoy	$154,775	Non Responsive
Homer J. Olsen	$162,691	18% MBE, 7.9% WBE
Adolph Schmidt	$193,000	Non Responsive
GMI Construction	$199,999	32% MBE
Miller Thompson	$204,000	24% MBE, 8% WBE
L&B Engineering	$228,000	33% MBE

3. Ms. Haygood notes that of the $1,329,000 placed on reserve for capital improvement projects in November of 1996, (File 101-96-19), the Board of Supervisors approved the release in May of 1998 of $203,582. $1,125,418 remains on reserve. According to Ms. Haygood, the stair replacement project was one of the capital improvement projects identified in the original reserved amount of $1,329,000 in November of 1996. The stairs were in need of repair, but were in working condition. The damage from the storms of February of 1998, however, rendered the stairs unusable.

4. Ms. Alex Lee of the Port, provides in Attachment II an explanation of the delay in moving this project forward. The Bureau of Architecture began designing a repair project to fix the damaged stairs and landing. Further review by the Port's Engineering Department determined that there had been

extensive damage to the substructure supporting the stairs and it is necessary to replace the stairs, landing and exit door. The Port has completed additional replacement design work which was begun by the Bureau of Architecture.

Recommendation: Approve the proposed resolution.

BID SUMMARY RESULT

Project: Agricultural Building East Entry Stair Remodel
Contract No. 2657
Project Engineer: Mansur Nidar
Project Manager: Mansur Nidar

Prepared By: Mansur Nidar
Checked By: Victor Yew
Date: 2/18/00
Bids Opened: 2/17/00

Bid Item	DESCRIPTION	Miller McCoy Builders Inc. San Francisco, Ca. Amount	Miller Thompson Cons San Francisco, Ca Amount	Homer J. Olson Inc Hayward Ca Amount	L & B Engineering San Francisco, Ca Amount	Adolph Schmidt Inc. San Francisco, Ca. Amount	G.M.I. CONSTRUCTION Burlingame, Ca. Amount
BASE BID BASIS OF AWARD	All work as shown on the Drawings and described in the Specifications Base Bid to include replacement door with detail No. 2 as shown on sheet A2.3 door installed on the face of the structure to accommodate minimum height requirement 6' 8" New door shall be 36" wide nominal. Stair rail shall be as shown on the Drawings and as noted on Section 05511, Paragraph 2.05 B Option 1.	$154,775.00	$294,000.00	$162,691.00	$228,000.00	$193,000.00	$199,999.00
Alternate No.1	All works as noted on the Base Bid above, as shown on on the Drawings and described in the Specifications. This bid to include replacement door with detail No. 2 as shown on sheet A2.3. door installed on the face of the structure to accommodate minimum height requirement, 6' 8" New door shall be 36" wide nominal. This alternate shall be with PICKET RAILING as described in Section 05511, Paragraph 2.05 B. Option 2.	$155,875.00	$202,000.00	$162,002.00	$263,000.00	$195,000.00	$201,244.00
Alternate No 2	All work as shown on the Drawings and described in the Specifications. This bid to include replacement door to be framed within the existing opening that receives 6' 5-1/2" high door. New door shall be 36" wide nominal and not less than the existing door height. This alternate shall be with stair railing similar to the stair railing described in Section 05511, Paragraph 2.05, B. Option 1.	$153,775.00	$299,000.00	$155,464.00	$25,000.00	$193,000.00	$179,200.00

Project: Agricultural Building East Entry Stair Remodel
Contract No.: 2657
Project Engineer: Mansur Niufar
Project Manager: Mansur Niufar

Prepared By: Mansur Niufar
Checked By: Victor Yew
Date: 2/16/00
Bids Opened: 2/17/00

Bid Item	DESCRIPTION	Biller-McCoy Builders Inc. San Francisco, Ca.	Miller Thompson Cons San Francisco, Ca.	Homer J. Olson Inc. Hayward Ca.	L & B Engineering San Francisco, Ca.	Adolph Schmidt Inc. San Francisco, Ca.	G.M.I. CONSTRUCTION Burlingame, Ca.
Alternate No. 3	All work as shown on the Drawings and described in the Specifications. This bid to include replacement door to be framed within the existing opening that receives 6' 5-1/2" high door. New door shall be 36" wide nominal and not less than the exsisting door height. This Alternate shall be with stair railing similar to the ROUND PICKET RAILING described in Section 05511, Paragraph 2.05, B. Option 2.	$155,675.00	$207,000.00	$154,775.00	$30,000.00	$195,000.00	$180,585.00

NOTE:
A. Successful Bidder will be stelected on the lowest BASE BID amount quoted by the reponsive, responsible Bidder
B. See Bid Summary Report (attached) for the Contractor deemed responsive by HRC+A4 and Engineering, Homer J Olson.
C. Homer J. Olson is in compliance and responsive in providing the 18% MBE and 7% WBE goal set by the HRC Officer.

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To: Bryce Sutherland

From: Alex Lee AL 5/19

Subject: Agricultural Building Stair.

In April of 1998, the Port contracted with the Bureau of Architecture to design a repair to fix the stairs and landing. At the time, the Port's Engineering Department was busy with the Ferry Plaza seismic upgrade project and the Ferry Building Shear Wall Project. During the design phase, the Port's Engineering Department found extensive damage to the substructure that support the stair and landing. The project had to be redesigned to completely replaced the stairway, landing, and exit door. The redesign by the Bureau of Architecture took longer then expected, due to the reinspection of the substructure and recalculations of the earthquake loads. In August of 1999, Port staff was available to take on this project. The Port took the project back from the Bureau of Architecture and completed the design. The Port also prepared specifications and bidding documents to advertised the job in February.

Item 13 – File 00-0629

Department: Recreation and Parks Department (RPD)

Item: Ordinance amending Part II, Chapter VI of the San Francisco Municipal Code (Park Code) to set fees for rides on the Golden Gate Park Carrousel at $0.25 for children and $1.50 for adults, which keeps the fee for children at its current level and raises the fee for adults by $0.50 from $1.00 to $1.50.

Description: The Golden Gate Park Carrousel is a Herschell-Spillman Carrousel that was constructed in 1912 in upstate New York. After operating in Los Angeles and Portland, Oregon, it was featured at the 1939 World's Fair at Treasure Island and then moved to the Children's Playground in Golden Gate Park in 1941. The Carrousel underwent a major seven-year mechanical and artistic restoration in the late 1970s and early 1980s. Additional mechanical improvements, including the renovation of the Band Organ, were made in 1998. An ongoing preventive maintenance program has been prepared by RPD to ensure the future of the carrousel, called by at least one historian the "Rolls Royce of American carrousels". In its current condition, the carrousel requires a total of $299,880 in restoration work within the next 5 years, primarily to the carrousel building roof. Any further delay would risk damage to the carrousel itself, according to the Office of the City Architect. An additional $109,790 in non-urgent work has been suggested by the Office of the City Architect.

According to Mr. Chris Mack of RPD, the City's income from ticket and food sales in FY 1998-1999 was approximately $70,076, while the cost to the City of operating the carousel that same year was approximately $86,236. Additionally, restoration work during FY 1998-1999 totaled $131,413. This left RPD with a carrousel operations and restoration deficit of $147,573, which was funded in part from donations ($131,413 from Friends of Recreation and Parks and from the Friedman Family), and partly from the RPD budget ($16,160).

According to Mr. Mack, FY 1999-2000 expenditures are estimated at $116,733 while revenues are estimated at $68,520, resulting in a deficit of $48,213.

For FY 2000-2001, RPD has tentatively selected a new contractor through a Request For Proposal for operation and general maintenance of the carrousel. The new contractor would operate and maintain the carrousel for 80 percent of ticket sales[1], along with percentages of other sources of income associated with the carrousel. According to the terms of the new proposed agreement, RPD estimates that the costs to the City of operating the carousel in Fiscal Year 2000-2001 to be approximately $6,183 for miscellaneous RPD expenditures, while the City's net income from ticket sales, food sales, merchandise sales, and hosting children's parties (after payment to the operator) would be $55,150. Additionally, RPD plans to perform restoration work on the carrousel in FY 2000-2001 with the new net revenue of $48,967. Performance of this restoration work in FY 2000-2001 would provide additional revenue for the restoration work needed for the carrousel in the next 5 years.

The proposed ordinance would increase the Golden Gate Carrousel fees for adults by $.50, or 50 percent, from $1.00 to $1.50. The child rate of $.25 would remain unchanged. This would increase the projected income from carousel operations for Fiscal Year 2000-2001 by $7,050 from $55,150 to $62,200, or by 13 percent. This would enable RPD to spend $56,017 on restoration work ($62,200 less $6,183 for expenses). The proposed fee increase would provide additional revenue for restoration work needed for the carrousel in the next 5 years.

[1] This applies for the first $80,000. The contractor receives 85 percent of gross ticket sales exceeding $80,000.

Comment:

1. The attachment, provided by RPD, is a comparison of fee structures for other carousel operations. The proposed fee increase would make the Golden Gate Park Carousel similar in fee structure to other carousels surveyed by RPD.

2. According to Mr. Mack, the proposed fee increase would be the first increase in Golden Gate Park Carrousel fees since 1984.

3. The estimated increased revenue of $7,050 that would be realized by the proposed ordinance in FY 2000-2001 has not been included in RPD's proposed FY 2000-01 budget. According to Mr. Mack, RPD would adjust its budget if the Board of Supervisors approves the proposed ordinance.

Recommendation:

Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

Carrousel Fee Comparison

NAME	LOCATION	PHONE NUMBER	CONTACTS	FEES Children	Adult		PUBLIC	PRIVATE
Golden Gate Park Carrousel	**San Francisco**	**415-753-2436**		**$0.25**	**$1.00**		**Owned & Operated**	
Balboa Park	San Diego	619-460-9000	Information Desk	$1.25	$1.25		Owned & Operated	
Bay Area Discovery Museum	Sausalito	415-289-7268	Janet	$0.50	n/a	children only		Owned & Operated
Castle Park	Riverside	909-785-4140	Chris	$1.50	$1.50			Owned & Operated
Disneyland	Anaheim	714-781-4565	Recorded Message	$1.50	$1.50	Bracelet		Owned & Operated
Eastridge Mall	San Jose	408-274-9171	Jennifer	$1.50	$1.50			Owned & Operated
Edgewater Family Fun Center	Monterey	831-647-1769	Willy	$2.00	$2.00			Owned & Operated
Great America	Santa Clara	408-988-1776	Operator	$1.50	$1.50	Bracelet		Owned & Operated
Griffith Park	Los Angeles	323-665-3051,878-2717FAX	Warren Deasy				Owned & Operated	
Knott's Berry Farm	Buena Park	714-220-5400	Operator	$1.50	$1.50			Owned & Operated
Northridge Mall	Salinas	831-442-8229	Barbra	$1.50	$1.50			Owned & Operated
Oaks Amusement Park	Portland, OR	503-236-5722		$1.25	$1.25			Owned & Operated
Pier 39	San Francisco	415-705-5500	Management Office	$2.00	$2.00			Owned &Operated
		415-399-9907,399-9301FAX	Greg Briggs Oper					
San Francisco Zoo	San Francisco	740-8084, 681-2039 FAX	Deb Howe-Operation	$2.00	$2.00		Owned	Operated
Santa Cruz Beach Board Walk	Santa Cruz	831-423-5590,460-3335FAX	Tom	$1.50	$1.50			Owned & Operated
Seaport Village	San Diego	619-235-4014	Recorded Message	$1.00	$1.00			Owned & Operated
Thunderland Park Kiddieland	Sacramento	916-456-0115	Recorded Message	$1.00	$1.00			Owned & Operated
Tilden Park	Berkeley	510-525-2233	Elaine	$1.00	$1.00	13 for $10	Owned	Operated
		510-524-8773,526-2393FAX	Terry Holleman-Oper					
Traintown	Sonoma	707-996-2599,996-6344FAX	Kermit/Barbara	$1.00	$1.00			Owned & Operated
Zeum	San Francisco	415-777-2800,777-2851FAX	David Perry	$1.00	$1.00			Owned & Operated
			Kate Gunnison					

Item 14 - File 00-0851

Department:	City Attorney Real Estate Division of the Department of Administrative Services (RED)
Item:	Resolution authorizing a renewal of an existing lease for office space at 1390 Market Street (Fox Plaza) for the City Attorney's Office for a term of seven years.
Location:	The proposed lease is for the rental of office space at 1390 Market Street.
Purpose of Lease:	Renew existing lease for City Attorney at 1390 Market Street for office space.
Lessor:	CalFox, Inc.
Lessee:	City and County of San Francisco, acting by and through the City Attorney's Office.
No. of Sq. Ft. and Cost Per Month:	62,814 square feet at a monthly rental rate of $231,784 (approximately $3.69 per square foot).
Annual Cost:	$2,781,404
Annual Rent Increases:	None
Utilities:	Electricity costs will be paid by the City for approximately 48,265 square feet of space that is separately metered. The cost of electricity would be between $0.50 and $0.60 per square foot annually for 48,265 square feet that is separately metered. This would amount to between $24,133 and $28,959 annually. The landlord would pay electricity cost for the remaining 14,549 square feet of space.
Janitorial Services:	Paid by the Landlord.
Term of Lease:	Seven Years (January 1, 2001 through December 31, 2007).
Right of Renewal:	Option for a five year extension.
Source of Funds:	Proposed budget of the City Attorney for FY 2000 – 2001.

Description: The proposed resolution would authorize a seven-year lease renewal of existing office space of 62,814 square feet for the City Attorney's Office at 1390 Market Street in the building known as Fox Plaza.

Comments:

1. According to Mr. Charlie Dunn of the Department of Real Estate, the proposed lease agreement is for 62,814 square feet of office space on the 2nd, 4th, 5th, 6th, and 10th floors located at 1390 Market Street.

2. According to Mr. Dunn, the current lease agreement for office space for the City Attorney at 1390 Market Street is for the period January 1, 1994 through December 31, 2000. The current monthly cost of $84,301 ($1,011,612 annually) includes 61,149 square feet at approximately $1.38 per square foot, per month. Approval of the proposed lease would result in 1,665 of additional square feet. Total monthly rent per square foot would increase by approximately $2.31 per square foot from $1.38 to $3.69 or 167 percent and total annual rent would increase by $1,769,792 from $1,011,612 to $2,781,404 or approximately a 175 percent increase.

3. According to Mr. Dunn, the City is authorized under the lease agreement to enter into a permit agreement with the Marin Day Schools for a licensed infant childcare facility to be provided on the second floor of 1390 Market Street consisting of approximately 500 square feet for a license fee payable to the City of $1 per year for the proposed permit agreement. The existing permit agreement between the City and Marin Day Schools is also for 500 square feet of space at an annual cost of $1.

4. Mr. Dunn notes that there will be no base rent increases during the seven-year lease term. If the City accepts the five-year extension option in the proposed lease agreement, beginning January 1, 2008 through December 31, 2012, the rent would be adjusted to the prevailing market rate[1] for

[1] The method by which the prevailing rate will be determined is described in detail in a standard DRE provision in the lease agreement. According to Ms. Claudine Venegas of DRE, the provision states: (a) that if the parties cannot agree as to the prevailing market rent, each shall select an appraiser, (b) that if the two appraisals differ by less than 10%, the average shall be the prevailing market rent, and (c) that if the appraisals differ by more than 10%, then the appraisers shall select a third appraiser, and the third appraisal shall be averaged with the closer of the two previous appraisals for the prevailing market rent.

space of comparable size, location, and quality within the Civic Center area of San Francisco.

6. Mr. Dunn has stated that the proposed lease represents fair market rental value.

Recommendation: Approve the proposed resolution.

Item 15 - File 00-0848

Department:	Department of Real Estate (DRE) Department of City Planning Public Library
Item:	Resolution authorizing a new lease of real property at 1649 Ocean Avenue for the Ingleside Branch Public Library.
Location:	1649 Ocean Avenue, San Francisco
Purpose of Lease:	To permit the Public Library to lease the entire building at 1649 Ocean Avenue (exclusive of the mezzanine) for use as the Ingleside Branch Public Library.
Lessor:	Lan Fong Huey
Lessee:	City and County of San Francisco
No. of Sq. Ft. and Cost Per Month:	Approximately 5,000 square feet at $7,300 per month ($1.46 per square foot). The rental rate is annually adjustable in accordance with the Consumer Price Index for the San Francisco-Oakland-San Jose area.
Annual Cost:	$87,600 ($17.52 per square foot)
Utilities and Janitor Provided by Lessor:	None
Term of Lease:	Ten years, commencing upon approval by the Board of Supervisors and substantial completion of leasehold improvements, expiring in approximately November of 2010.
Right of Renewal:	Under the subject lease, the City would have the right to extend the lease term by two additional terms of five years each, provided that the City (a) gives the lessor 180 days advance notice, and (b) agrees to a rental rate which is 95 percent of the prevailing market rate, as determined by negotiations between the City and the Landlord with the assistance of independent appraisers if necessary (following the process set out in Section 4.3 of the proposed lease agreement).

Source of Funds: Library Preservation Fund

Description: The subject lease would authorize the Public Library to relocate the Ingleside Branch Public Library from its current 1,975 square foot location at 387 Ashton Avenue, Ingleside, to an approximately 5,000 square foot location at 1649 Ocean Avenue.

Comments:

1. Mr. George Nichols of the Public Library states that the 387 Ashton Avenue lease expires on November 30, 2000. The landlord of 387 Ashton Avenue intends to increase the building's rent from the current $1.08 per square foot to bring it into line with the fair market value for commercial space in the area which is estimated by the Department of Real Estate to be between $1.75 and $2.00 per square foot, as compared to the proposed rental rate per square foot of $1.46 at 1649 Ocean Avenue. In addition, Mr. Nichols states that 387 Ashton Avenue (a) has an inadequate electrical system to handle the technology improvements slated for the branch libraries, (b) is not fully compliant with the requirements of the Americans with Disabilities Act (ADA), (c) has limited space for reading, studying, public access computers, or public programs, and (d) cannot be expanded.

By contrast, Mr. Nichols states that the proposed 1649 Ocean Avenue building (a) is a more visible location for the branch library and the proposed relocation has the support of the local community, (b) has approximately 153 percent more space, and (c) can be made fully compliant with ADA requirements.

2. The subject lease provides for tenant improvements to be constructed by the landlord at an estimated cost of $250,000 which comprises (a) $150,000 for ADA compliance upgrades, and (b) $100,000 for other tenant improvements. The estimated monthly rent of $1.46 per square foot comprises (a) a base monthly rent of $1.20 per square foot (inclusive of ADA compliance upgrade costs), plus (b) $0.26 per square foot for the other tenant improvements.

3. The estimated cost of furniture, fixtures, and equipment for the 1649 Ocean Avenue location is

$145,000, as shown in the attached budget provided by the Library. Funding in the amount of $145,000 has been reserved by the Board of Supervisors (File 00-0615) pending Board of Supervisors approval of the subject lease. Mr. Nichols states that existing furniture, fixtures, and equipment being used at the Ingleside Branch Library's Ashton Street location which can be salvaged would, wherever possible, be either reused at the Ocean Avenue location, redistributed to other branch libraries that might be able to use them, or turned over to the Purchasing Department as surplus property.

4. Ms. Claudine Venegas of DRE states that the proposed rent represents fair market value.

Recommendation: Approve the proposed resolution.

INGLESIDE BRANCH LIBRARY

Furniture, Fixtures, & Equipment	
Telecomm (moving data circuits, installing T-1 lines, DTIS infrastructure, telephone system move, equipment upgrades)	$35,000
Intrusion alarm (exterior)	$8,000
Ugrade kitchen, plumbing, cabinets, counter, appliances	$6,000
Exterior and interior signage	$8,000
Moving and shelf installation	$16,000
Shelving	$10,000
Modify and move existing reference/circulation counter/desk (OVI model)	$10,000
Modify door hardware	$2,000
New Public area tables and chairs	$20,000
Project management fees (DPW-BOE)	$30,000
Total	$145,000

Item 16 - File 00-0795

Department: Real Estate Division of the Department of Administrative Services
Planning Department
City Attorney

Item: Resolution approving the transfer of title to real property located at 1950 Mission Street, San Francisco, from the City and County of San Francisco to the San Francisco Unified School District.

Amount: None

Description: This proposed resolution would authorize a transfer, through the execution of a quitclaim deed, of City-owned property known as Assessor's Block 3554, Lot 5, located at 1950 Mission Street to the San Francisco Unified School District (SFUSD), at no cost to SFUSD. The property, located between 16th Street and 17th Street, is a paved lot consisting of 36,400 square feet. There are currently seven portable classrooms on the property comprising 14,625 square feet. The subject property has been utilized by SFUSD for various uses since the City acquired the property in 1860. The SFUSD currently uses the site for various counseling services.

In September of 1999, the SFUSD Board of Education declared the property surplus, and plans to sell the property through a public auction.

Comments: 1. According to Mr. Jerry Romani of the Real Estate Division, the City constructed various school-related facilities on the property as early as 1860. In 1910 the City replaced the facilities destroyed in the 1906 earthquake and in 1972 the City demolished the unsafe facilities and replaced them with portable classrooms.

2. According to Ms. Amy Brown of the City Attorney's Office, the City Attorney has advised in a legal opinion that real property acquired or used for school purposes becomes public school property and that the holder of legal title, in this instance, the City, acts as trustee for the legal owner, the State of California, which acts through SFUSD. Thus, per the City Attorney's

opinion, the City is merely a passive trustee and has a duty to execute deeds or leases at the direction of SFUSD.

3. According to Mr. Amit Ghosh of the Planning Department, the proposed quitclaim deed is in conformity with the City's General Plan.

4. According to Ms. Lisa Gibson of the Planning Department, the property is zoned RC-4 (High Density Residential).

Recommendation: Approve the proposed resolution.

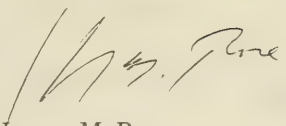
Item 17 - File 00-0601

Item: Hearing to consider Proposition A funds for tobacco prevention and control.

Description: Proposition A, approved by the San Francisco voters in November of 1999 requires that all tobacco settlement monies, received by the City, after $1 million is set aside each year for smoking, education, prevention and control programs, be used to pay for construction of a new Laguna Honda Hospital facility. Item 3, File 00-0772 of this Finance and Labor Committee report contains a supplemental appropriation for $9,243,481 of the Tobacco Settlement Funds for architectural, engineering and construction costs for the Laguna Honda Hospital Project. The subject hearing is to discuss the $1 million annual appropriation for tobacco prevention and control programs.

The Department of Public Health (DPH) has proposed that the $1 million annual appropriation of Proposition A funds, subject to appropriation approved by the Board of Supervisors, be administered by DPH's Tobacco Free Project, which has been responsible for implementing the Proposition 99 State Tobacco Tax funded program since 1989. DPH reports that the Proposition 99 allocations have declined from $1.6 million in FY 1989-90 to $638,000 in FY 1999-2000, a $962,000 reduction or approximately 60 percent. DPH is therefore proposing, as shown in the Attachment, that the $1 million Proposition A funding for FY 2000-01 be used to pay for portions of existing staff positions and operating expenses of the DPH Tobacco Free Project to offset reductions in Proposition 99 allocations and to minimize funding reductions for community organizations who provide related contractual services to DPH. As shown in the Attachment, the Program would be divided into four sections: (1) Program, (2) Enforcement, (3) Cessation and (4) Administrative. Ms. Tangerine Brigham of DPH advises that representatives from DPH will attend the May 24, 2000 Finance and Labor Committee to respond to any questions from the Committee.

Memo to Finance and Labor Committee
May 24, 2000 Finance and Labor Committee Meeting



Harvey M. Rose

Supervisor Yee
Supervisor Bierman
President Ammiano
Clerk of the Board
Controller
Steve Kawa

Budget Overview

Salaries

Class/Title	FTE	Program	Enforcement	Cessation	Administrative	Amount
2825 Senior Health Educator.	.2	$4,895	0	0	$7,343	$12,238
2822 Health Educator	1	$30,680	0	$30,680	0	$61,360
2891 - Health Program Coordinator II	.5	$23,254	0	0	$5,814	$29.068
1426 - Senior Clerk Typist	.5	0	0	0	$21,471	$21,471
6122 – Senior Environmental Health Inspector.	.25	0	$18,789	0	0	$18,789
6120- Environmental Health Inspector	.39	0	$25,066	0	0	$25,066
Total Salaries		$58,829	$43,855	$30,680	$34,628	$167,992
Fringe @ 25%		$14,707	$10,963	$7,670	$8.658	$41,998
Subtotal Personnel	2.84	$73,536	$54,818	$38,350	$43,286	$209,990
Operating Costs		0	0	0	$22,678	$22,678
Sub-Total Pers. & Operating		***$73,536***	***$54,818***	***$38,350***	***$65,964***	***$232,668***
Professional Services		**Com. Based Programs**	**Enforcement**	**Cessation**		
Evaluation Services		$40,000	0	0		$40.000
Media Services		$109,200	0	0		$109.200
Community Based Services		$350,506	0	$43,186		$393.692
Subtotal Professional Services		$499.706		$43.186		$542.892
Services to Other Departments (Workorders)						
Police Department		0	$18,000	0		$18.00
Dept. of Consumer Assurance			$88,800	0		$88.80
City Attorneys Office		0	$72.640	0		$72.64
Subtotal Srvs. Other Depts.			$179,440	0		$179.44
SF Unified School District						
Community-Based Programs		$45,000	0	0		$45.00
Sub-Total Professional Servs.		***$544,706***	***$179,440***	***$43,186***		***$767.3.***
Total		$618,242	$234,258	$81,536	$65,964	$1,000.00

[All Committees]
Government Document Section
Main Library

City and County of San Francisco
Meeting Minutes
Finance and Labor Committee

94102-4689

Members: Supervisors Leland Yee, Sue Bierman, Tom Ammiano

Clerk: Mary Red

Wednesday, May 31, 2000 | **10:00 AM** | **City Hall, Room 263**

Regular Meeting

Members Present: Leland Y. Yee, Sue Bierman, Tom Ammiano.

DOCUMENTS DEPT.

JUN - 5 2000

SAN FRANCISCO
PUBLIC LIBRARY

Meeting Convened

The meting convened at 10:07 a.m.

000930 **[General Obligation Bonds Award - School/Zoo/Park]**

Motion awarding Bonds and fixing definitive interest rates for $29,605,000 General Obligation Bonds (Educational Facilities Bonds, 1997 - Community College District), Series 2000A; $17,440,000 General Obligation Bonds (Zoo Facilities Bonds, 1997) Series 2000B; $6,180,000 General Obligation Bonds (Neighborhood Recreation and Park Facilities Improvement Bonds, 2000) Series 2000C. (Mayor)

5/17/00, RECEIVED AND ASSIGNED to Finance and Labor Committee.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Karen Ribble, Mayor's Office of Finance. Amendment of the Whole.

AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE.

AWARDED by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

000765 **[Budget Workshop - May 31, 2000]**

Supervisor Yee

Hearing to consider a budget workshop on the Department of Public Health on Wednesday, May 31st, at 10:00 a.m.

4/24/00, RECEIVED AND ASSIGNED to Finance and Labor Committee.

Heard in Committee. Speakers: Dr. Mitchell Katz, Director of Health; Supervisor Yee; Supervisor Ammiano; Ken Jenson, Financial Officer, Community Health Network; Monique Zmuda, Chief Financial Officer, Department of Public Health; Barbara Rothkrue, Nurse; Change Martin, Coalition on Homelessness (COH); Darren Lewis, (COH); Kym Valadez, Swords to Plowshares; Rosemary Dady, Bay Area Legal Aid; L.S. Wilson (COH); Barbara Arms, Campaign to Abolish Poverty; Michael Wise, S.F. Network of Mental Health Clinics/Spiritmendors; Alan Gella, M.D., San Francisco General Hospital (SFGH); Helen Brook; Dr. Meg Newman (SFGH); Eve Meyer; Lidia Zenteno, S. F. Organizing Project; Jason Hataye; Jennifer Friedenbach; Delphene Brody; Marykate Connor, Caduceus Outreach Services; Chris Daly, Mission Agenda; Terry Mitchell, Treatment on Demand; Keith Savage, Coalition on Homelessness; Dwayne Kaufman; Nora Roman, Nurse (SFGH); Shannon Coughlin; Bob Hernandez, Local 790; Supervisor Bierman.

FILED by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

ADJOURNMENT

The meeting adjourned at 12:30 p.m.

[Budget Analyst Report]
Susan Hom
Main Library-Govt. Doc. Section

CITY AND COUNTY OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642
FAX (415) 252-0461

May 25, 2000

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MAY 31 2000

SAN FRANCISCO
PUBLIC LIBRARY

TO: Finance and Labor Committee

FROM: Budget Analyst

SUBJECT: May 31, 2000 Finance and Labor Committee Meeting

Item 1 - File 00-0930

Department: Mayor's Office of Public Finance

Item: Motion awarding bonds and fixing definitive interest rates for $29,605,000 General Obligation Bonds (Educational Facilities Bonds, 1997 – Community College District), Series 2000A; $17,440,000 General Obligation Bonds (Zoo Facilities Bonds, 1997) Series 2000B; and $6,180,000 General Obligation Bonds (Neighborhood Recreation and Park Facilities Improvement Bonds, 2000) Series 2000C.

Description: On May 1, 2000, the Board of Supervisors approved three resolutions authorizing and directing the sale of up to $53,225,000 in General Obligation Bonds as follows:

- $29,605,000 in General Obligation Bonds (Educational Facilities Bonds, 1997 – Community College District), Series 2000A, to fund land acquisition for two Community College District campuses in Chinatown and the Mission District, and various renovations and facilities' upgrades of existing Community College District facilities (File 00-0677);

- $17,440,000 in General Obligation Bonds (Zoo Facilities Bonds, 1997) Series 2000B, to fund various capital improvement projects at the Zoo (File 00-678); and
- $6,180,000 in General Obligation Bonds (Neighborhood Recreation and Park Facilities Improvement Bonds, 2000) Series 2000C to fund acquisition, design, and construction costs of various City recreation facilities (File 00-0679).

Comments:

Ms. Karen Ribble of the Mayor's Office of Public Finance advises that the bids for the proposed bonds are scheduled to be opened at 8:00 a.m. on Wednesday, May 31, 2000. According to Ms. Ribble, unless all of the bids are rejected, the Finance and Labor Committee will be asked to award the bonds to the bidder whose bid represents the lowest true interest cost to the City. Ms. Ribble reports that the Mayor's Office of Public Finance will submit an Amendment of the Whole to the Finance and Labor Committee's scheduled meeting at 10:00 a.m. on Wednesday, May 31, 2000, which will list the winning bidder, the other bidders and the interest rate that each bidder offered to the City. Additionally, at the Wednesday, May 31, 2000 Finance and Labor Committee meeting, the Mayor's Office of Public Finance will provide the debt service payment schedule, including the bond maturity dates, principal amounts and interest rates.

Recommendation:

Approve a motion which awards the subject bonds to the low bidder, which represents the lowest true interest cost to the City.

Harvey M. Rose

Supervisor Yee
Supervisor Bierman
President Ammiano
Clerk of the Board
Controller
Steve Kawa

City and County of San Francisco
Meeting Minutes
Finance and Labor Committee

Members: Supervisors Leland Yee, Sue Bierman, Tom Ammiano

Clerk: Mary Red

City Hall
1 Dr. Carlton B.
Goodlett Place
San Francisco, CA
94102-4689

Thursday, June 01, 2000 **10:00 AM** **City Hall, Legislative Chamber - 2nd Floor**

Regular Meeting

Members Present: Leland Y. Yee, Sue Bierman.

Members Absent: Tom Ammiano.

Meeting Convened

The meeting convened at 10:05 a.m.

000767 **[Budget Workshop - June 1, 2000]**

Supervisor Yee

Hearing to consider a budget workshop on the Department of Human Services on Thursday, June 1st, at 10:00 a.m.

4/24/00, RECEIVED AND ASSIGNED to Finance and Labor Committee.

Heard in Committee. Speakers: Will Lightbourne, Director, Department of Human Services; Supervisor Yee; Bill Bettencourt, Deputy Director, Family Services; Lucy Garcia; Jessica Erwin; Leroy Moore; Supervisor Bierman; Joseph Bolden.

FILED by the following vote:

Ayes: 2 - Yee, Bierman
Absent: 1 - Ammiano

ADJOURNMENT

The meeting adjourned at 11:13 a.m.

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JUN - 5 2000

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City Hall
1 Dr. Carlton B
Goodlett Place
San Francisco, CA
94102-4689

City and County of San Francisco
Meeting Minutes
Finance and Labor Committee

Members: Supervisors Leland Yee, Sue Bierman, Tom Ammiano

Clerk: Mary Red

Wednesday, June 07, 2000 **10:00 AM** **City Hall, Room 263**

Regular Meeting/Budget Workshop

Members Present: Leland Y. Yee, Sue Bierman, Tom Ammiano.

DOCUMENTS DEPT.

JAN 2 4 2001

SAN FRANCISCO
PUBLIC LIBRARY

Meeting Convened

The meeting convened at 10:04 a.m.

000892 **[Designating the Official Newspaper for Type 1 - Consecutive Day Advertising for Fiscal Year 2000-2001]**

Resolution designating the official newspaper of the City and County of San Francisco for specified categories of advertising, commending July 1, 2000. (Purchaser)

5/12/00, RECEIVED AND ASSIGNED to Finance and Labor Committee.

Heard in Committee: Speakers: Harvey Rose, Budget Analyst; Michael Ward, Assistant Director, Purchasing Department; Supervisor Ammiano; Supervisor Yee; Ed Lee, Purchaser; Carmen Ruiz, Editor, El Latino; June Howard, CA. Newspaper Service Bureau; Clementina Garcia; Bland Platt; Wayne Wash, Independent; Ted Lakey, Deputy City Attorney. Amended to designate the S. F. Examiner as official newspaper for Type 1 advertisements; new title.

AMENDED.

Resolution designating the San Francisco Examiner as the official newspaper of the City and County of San Francisco for specified categories of advertising, commending July 1, 2000. (Purchaser)

RECOMMENDED AS AMENDED by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

000893 **[Designating the San Francisco Independent as the Official Newspaper for Type 2 - Non-consecutive Day Advertising, for Fiscal Year 2000-2001]**

Resolution designating the San Francisco Independent to be the official newspaper of the City and County of San Francisco for specified categories of advertising, commencing July 1, 2000. (Purchaser)

(Fiscal impact.)

5/12/00, RECEIVED AND ASSIGNED to Finance and Labor Committee

Heard in Committee: Speakers: Harvey Rose, Budget Analyst; Michael Ward, Assistant Director, Purchasing Department; Supervisor Ammiano; Supervisor Yee; Ed Lee, Purchaser; Carmen Ruiz, Editor, El Latino; June Howard, CA. Newspaper Service Bureau; Clementina Garcia; Bland Platt; Wayne Wash, Independent; Ted Lakey, Deputy City Attorney.

RECOMMENDED by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

000895 **[Designating the Outreach Advertising Newspapers for Fiscal Year 2000-2001]**

Resolution designating the Bay View Inc., to be outreach newspaper for the African-American community; designating the Chinese Times to be outreach newspaper for the Chinese community; and designating the El Reportero to be outreach newspaper for the Hispanic community for the City and County of San Francisco; commencing July 1, 2000. (Purchaser)

5/12/00, RECEIVED AND ASSIGNED to Finance and Labor Committee.

Heard in Committee: Speakers: Harvey Rose, Budget Analyst; Michael Ward, Assistant Director, Purchasing Department; Supervisor Ammiano; Supervisor Yee; Ed Lee, Purchaser; Carmen Ruiz, Editor, El Latino; June Howard, CA. Newspaper Service Bureau; Clementina Garcia; Bland Platt; Wayne Wash, Independent; Ted Lakey, Deputy City Attorney.

RECOMMENDED by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

000768 **[Budget Workshop - June 7, 2000]**

Supervisor Yee

Hearing to consider a budget workshop on the Fire Department, the Police Department, and the Sheriff's Department on Wednesday June 7th at 10:00 a.m.

4/24/00, RECEIVED AND ASSIGNED to Finance and Labor Committee.

Heard in Committee. Speakers: Supervisor Yee; Captain John Goldberg, Police Department (SFPD); Supervisor Ammiano; Debra Ward, Financial Officer, Fire Department; Deputy Chief Debacco, Fire Department (SFFD); Supervisor Bierman; Supervisor Ammiano; Michael Hennessey, Sheriff; Linda Hamilton; Mara Raider, Colition on Homelessness; Ronald Rucker.

FILED by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

ADJOURNMENT

The meeting adjourned at 12:13 p.m.

[Budget Analyst Report]
Susan Hom
Main Library-Govt. Doc. Section

0.254

7/00

CITY AND COUNTY OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642
FAX (415) 252-0461

June 2, 2000

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JUN - 6 2000

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TO: Finance and Labor Committee

FROM: Budget Analyst

SUBJECT: June 7, 2000 Finance and Labor Committee Meeting

Items 1 and 2 – Files 00-0892 and 00-0893

Department: Purchasing Department

Item: **File 00-0892:** Resolution designating an as yet to be determined newspaper to be the official newspaper of the City for specified categories of advertising (Type 1), commencing July 1, 2000.

File 00-0893: Resolution designating the San Francisco Independent to be the official newspaper of the City for specified categories of official advertising (Type 2), commencing July 1, 2000.

Description: The City's official advertising is divided into two categories:

Type 1 – Advertisements for Two of More Consecutive Days
Official advertising which must be published on two or more consecutive days, and all official advertising which is required to be published in accordance with Section 2.103 of the Charter for special meetings of the Board of Supervisors and its standing or special committees. The Official Newspaper must publish at least 5 days a week for Type 1 Advertising.

Type 2 – Advertisements for Single or Non-consecutive Days
Official advertising, which must be published one time, other than one-time advertising related to special meetings for the Board of Supervisors and its standing and/or special committees, or more than one time but not more than three times per week for a specified number of weeks. The Official Newspaper must publish at least 3 days a week for Type 2 Advertising.

The City currently contracts with the San Francisco Examiner for Type 1 official advertising and with the San Francisco Independent for Type 2 official advertising. The contracts are due to expire June 30, 2000.

Proposition J, which was approved by the San Francisco electorate in November of 1994, in part, changed the criteria by which the City selects a newspaper to publish the City's official advertising. The Purchasing Department advises that, under Proposition J, pursuant to Section 2.81 of the Administrative Code, several criteria are considered and used to evaluate bids, on the basis of a point system. Bidders are required to submit typeset samples and other documentation for evaluation purposes. The criteria used for evaluation of bids under Section 2.81 includes (1) the cost of advertising in each newspaper (the newspaper which bids the lowest price for advertising receives additional points), (2) the level of circulation of each newspaper (the newspaper with the largest circulation receives additional points), (3) the cost of the newspaper (any newspaper with a majority of circulation that is free of charge to the general public receives additional points), and (4) the ownership of the newspaper (newspapers which are owned by local, minority or women-owned firms receive additional points).

File 00-0892: According to the Purchasing Department, in response to its Invitation for Bids, the Department did not receive any bids for Type 1 official advertising. The San Francisco Newspaper Agency, the agent for the San Francisco Chronicle and San Francisco Examiner has offered to extend the existing contract with the Examiner at an increased cost per line for official advertising. The Purchasing Department advises that the cost per line of typeset in FY 2000-2001 would be $2.46, or $0.22 more than the $2.24 charged in FY 1999-2000, representing a 9.8

percent increase. Attachment 2, provided by the Purchasing Department, contains bid data and point calculation information for the San Francisco Examiner, and assuming the Examiner's contract is extended. For FY 2000-2001, the Purchasing Department estimates that the total costs for Type 1 official advertising in the San Francisco Examiner under a contract extension is estimated to be $23,860, a 9.8 percent rate increase over the estimated cost for FY 1999-2000 of $21,730 based on the anticipated 9.8 percent increase in the cost per line of official advertising published. The Purchasing Department estimated the cost of the contract extension for FY 2000-2001 by averaging the actual monthly cost of advertising through April of 2000 and projecting it, including cost escalation, over the full year term of the contract. Because no bids were received, the Purchasing Department is not making a recommendation regarding the award of the City's Type 1 official advertising for FY 2000-2001. Instead, the Purchasing Department is presenting information to the Board of Supervisors about the San Francisco Examiner and San Francisco Chronicle newspapers. According to the Purchasing Department, the San Francisco Examiner and San Francisco Chronicle have historically been the only responsive bidders for Type 1 advertising, and appear to be the only newspapers that meet the Administrative Code's requirements for Type 1 advertising.

Because no bids were received for Type 1 advertising, the Purchasing Department has presented five options to the City for FY 2000-2001 for the Board of Supervisors consideration as follows: (1) the Board of Supervisors could choose not to have an Official Newspaper for Type 1 advertising, (2) the Board of Supervisors could direct Purchasing to rebid Type 1 using the same bid requirements, (3) the Board of Supervisors could direct Purchasing to rebid and relax some of the requirements of the Administrative Code, (4) the Board of Supervisors could designate the Examiner or Chronicle as the Official Newspaper for Type 1, or (5) the Board of Supervisors could designate the Examiner as the Official Newspaper for Type 1 advertising by extending the current contract with the Examiner (see Attachment 1, from the Purchasing Department, for a more detailed description of the options).

Regarding the five options, the Director of Purchasing stated that with respect to Option No. 5 which, if adopted by the Board of Supervisors, would designate the *Examiner* as the Official Newspaper for Type 1 advertising, "It appears this option is the most practical, timely, and economical way to meet the City's needs for Type 1, consecutive day advertising." Last year the Board of Supervisors selected Option 5, extending the San Francisco Examiner's contract for the period of FY 1999-2000.

File 00-0893: According to the Purchasing Department, in response to its Invitation for Bids for FY 2000-2001, the San Francisco Independent submitted the sole bid for Type 2 advertising. For FY 2000-2001, the Purchasing Department estimates that total costs for Type 2 official advertising in the San Francisco Independent would total $917,670, an 11.2 percent rate increase over the estimated cost for FY 1999-2000 of $825,243. The Purchasing Department estimated the cost of the contract extension for FY 2000-2001 by averaging the actual monthly cost of advertising through April of 2000 and projecting it, including cost escalation, over the full year term of the contract. The Purchasing Department is recommending that the San Francisco Independent be awarded the City's Type 2 official advertising for FY 2000-2001. The Purchasing Department advises that the cost per line of typeset in FY 2000-2001 would be $4.78, or $0.48 more than the $4.30 charge in FY 1999-2000, an 11.2 percent increase. Attachment 2, provided by the Purchasing Department contains the bid data and point calculation information for the San Francisco Independent.

Comments:

1. Mr. Michael Ward of the Purchasing Department states that the City Attorney has advised that the Board of Supervisors need not accept the Purchasing Department's recommendations to award contracts to newspapers for Official Advertising and may designate any newspaper which is qualified under the Charter and the Administrative Code.

2. The Purchasing Department estimated the cost of Type 1 and Type 2 official advertising for FY 2000-2001 by averaging the actual monthly cost of advertising through April of 2000 and projecting it, including cost escalation, over the full year term of the contract. Total estimated costs for

Type 1 ($23,860) and Type 2 ($917,670) advertising of $941,530 for FY 2000-2001 are shown in Attachment 3.

3. According to Mr. Ward, pursuant to Section 2.81-2(a) of the Administrative Code, 90 percent of the cost of official advertising will be paid to the Official Newspapers and 10 percent will be withheld and placed into the Outreach Advertising Fund to pay for outreach advertising which are weekly advertisements placed in community-based periodicals, targeting African American, Chinese, Hispanic and Gay/Lesbian/Bisexual/Transgender communities, designated by the Board of Supervisors. In addition, any portion of the 10 percent set aside that is not expended in previous years is carried forward for future outreach advertising.

Recommendations:

1. If the Board of Supervisors selects an official newspaper of the City for Type 1 official advertising, for FY 2000-2001, amend the proposed resolution (File 00-0892) to reflect that designation. The proposed resolution (File 00-0893) designates the San Francisco Independent as the official newspaper for Type 2 advertising for FY 2000-2001.

2. Approval of the proposed resolutions is a policy matter for the Board of Supervisors.

E. Type 1, Consecutive Day Advertising Options

Because no bids were received for Type 1 Advertising, Purchasing is unable to make a recommendation pursuant to the guidelines in Section 2.81 of the Administrative Code. Therefore, the following options are presented for the Board's consideration.

1. **No Official Newspaper for Type 1.** The Board could choose not to have an Official Newspaper for Type 1 Advertising. Purchasing does not recommend this option because of the City's need for Type 1 advertising for scheduling special meetings of the Board, Committees, and certain consecutive day advertising such as bond issues and special elections.

2. **Rebid with the Same Bid Requirements.** The Board could direct Purchasing to rebid Type 1 Advertising using the same bid requirements. Purchasing has found that only the Examiner and the Chronicle meet the Administrative Code's requirements for circulation of 50,000 per week, consecutive day publication, and printed in the City. Since both the Examiner and Chronicle did not bid this time, it is likely that they will not bid again. Therefore, Purchasing does not recommend this option because it is probable that no bids would be received.

3. **Rebid and Relax Administrative Code Requirements.** The Board could direct Purchasing to rebid and relax some of the requirements contained in the Administrative Code, such as weekly circulation of 50,000 per week, consecutive day publication, or printed in City. However, because these requirements are in the Administrative Code, Sections 2.80 and 2.81, and were passed by the voters, it would require voter approval to relax these requirements. Purchasing does not recommend this option because of the complexity and time requirements of obtaining voter approval.

4. **Designate the Examiner or Chronicle as Official Newspapers for Type 1 Advertising.** Under this option, the Board would designate the Examiner or Chronicle as the Official Newspaper for Type 1 advertising, because they are the only known newspapers that meet the Administrative Code's requirements for circulation of 50,000 per week, consecutive day publication, and printed in the City. Although the newspapers did not submit bids, the San Francisco Newspaper Agency, agent for the Examiner, offered to extend the current contract at the rate of $2.46 per line. If the City does not extend the contract, and the Board designated the Chronicle or Examiner as official newspapers for Type 1 Advertising, the Chronicle would not be subject to any of the City's terms and conditions required in the bidding process. Purchasing does not recommend this option.

5. **Designate the Examiner as Official Newspaper for Type 1 Advertising.** The Board would designate the Examiner as the Official Newspaper for Type 1 Advertising by extending the current contract. Under this option, the San Francisco Newspaper Agency would sign a contract extension, which would extend the contract for one year incorporating the terms of the existing agreement. It appears that this option is the most practical, timely, and economical way to meet the City's need for Type 1, Consecutive Day Advertising.

One of the advantages offered of this option is that if the current Examiner contract is extended, the City will have a contract that includes the terms and conditions required by the City. Additionally, the Examiner has historically been the Official Newspaper for Type 1 Advertising in the City.

Last year, the Board selected Option No. 5 extending the San Francisco Examiner's 1997 contract to cover the period of FY 1999-2000.

BID DATA AND POINT CALCULATION

Type 1, Consecutive Day

No bids were received for Type 1 advertising. The calculation for the Examiner is based on actual expenditures for FY 1999-2000 (through the month of April) projected over the entire fiscal year, plus the increase in price of services for Fiscal Year 2000-01.

	Examiner Data	Pts.
Cost of Sample	None	15
Home Circ., SF	167,200	10
Price, if zero	25c	0
Locally owned	yes	2
Minority owned	no	0
Woman owned	no	0
Total		27
Ranking		1
Cost per line		$2.46
FY Estimated cost		$23,860

Type 2, Nonconsecutive Day (Current year's bid data)

	Avail. Points	Independent Data	Pts.
Cost of Sample	15	$755.24	15
Home Circ., SF	10	478,113 *	10
Price, if zero	5		5
Locally owned	2	yes	2
Minority owned	2	yes	2
Woman owned	2	yes	2
Total	36		36
Ranking			1
Cost per line			$4.78
FY Estimated cost			$917,670

Notes

The San Francisco Independent does not qualify for a bid preference under the MBE/WBE/LBE Ordinance

* Represents total home circulation on Tuesday and Saturday, the two days Purchasing is recommending for publishing of City advertisements.

Type 2 Bid Prices, Sample Costs, and Spending, FY 94-95 through FY 00-01

	FY 00-01			FY 99-00			FY 98-99			FY 97-98			FY 96-97			FY 95-96			FY 94-95		
	Cost/ Line	Cost of Sample	Est. Cost	Cost/ Line	Cost of Sample	Est. Cost	Cost/ Line	Cost of Sample	Est. Cost	Cost/ Line	Contract Sample	Amount Spent	Cost/ Line	Contract Sample	Amount Spent	Cost/ Line	Contract Sample	Amount Spent	Cost/ Line	Contract Sample	Amount Spent
Chronicle	No bid	No bid		No bid			No bid			No bid			[illegible]			[illegible]			[illegible]		
Examiner	No bid	No bid	23,840	No bid			No bid			No bid			[illegible]			[illegible]			[illegible]		
Independent	4.58	555.24	912,620	4.30	679.40	682,500	4.56	720.48	1,160,000	4.15	664,000	611,000	[illegible]	[illegible]	555,200	[illegible]	[illegible]	455,400	[illegible]	[illegible]	[illegible]

Notes

1 "Cost/Line" is each paper's bid for typesetting one line of advertising. Because the type size, spacing, etc., vary between papers, the reader cannot use the Cost/Line data for a reliable comparison of papers' costs. Purchasing's calculation of "Cost of Sample" should be used. (See next item.)

2 The "Cost of Sample" is the price of a sample ad provided by the City, based on each papers' bid price and how it typeset the sample ad. The Cost of Sample is directly comparable between papers. Note, for example, that for FY 96-97, the Chronicle's Cost/Line (bid price) was lower than the Independent's, but its Cost of Sample was higher.

The City has used the same sample ad since FY 92-93.

3 For FY 98-99, "Est. Cost" is the estimated cost of the Type 2 advertising contract. For FY 97-98, the Amount Spent is an estimate based on expenditures of $611,013 through April 30, 1998.

For prior years, only the Amount Spent with the official newspaper for Type 2 advertising is shown.

4 This Exhibit shows data for Type 2 advertising only. Historically, if a Paper has submitted bids for both Type 1 and Type 2 advertising, the two bid prices have been identical.

5 For FY 00-01, Estimated Cost is the estimated cost of Type 2 advertising. For FY 99-00, the actual amount spent is based on expenditures of $652,395 through April 2000.

6 For FY 00-01, the estimated cost for Type 1 and Type 2 advertising is based on a projection of current expenditures. For FY 1999-00, plus the increase in price of advertising services for FY 2000-01.

Memo to Finance and Labor Committee
June 7, 2000 Finance and Labor Committee Meeting

Item 3 – File 00-0895

Department: Purchasing Department

Item: Resolution designating certain newspapers for the City's outreach advertising, including the San Francisco Bay View Inc., to be the outreach newspaper of the City for the African-American community; designating the Chinese Times to be the outreach newspaper of the City for the Chinese community; designating the El Reportero to be the outreach newspaper of the City for the Hispanic community.

Description: Proposition J, which was approved by the San Francisco electorate in November of 1994, provided, in part, for an Outreach Advertising Fund to be established for the purpose of the City placing "outreach advertising" or weekly notices of items pertaining to governmental operations in periodicals selected to reflect the diversity in race and sexual orientation of the population of the City. Outreach advertisements include, but are not limited to, information about issues that are being reviewed by the Board of Supervisors and directly affecting the public. Proposition J requires the City to withhold 10 percent of the amounts paid for official advertising and deposit the monies in the Outreach Advertising Revenue Fund.

Comments: 1. Pursuant to Proposition J and in accordance with Section 2.81-2(a) of the Administrative Code, the City is required to withhold 10 percent of the annual amounts paid for the City's Type 1 and Type 2 official advertising and to deposit these monies into the Outreach Advertising Fund.

The City's official advertising is divided into two categories:

Type 1 – Advertisements for Two of More Consecutive Days
Official advertising which must be published on two or more consecutive days, and all official advertising which is required to be published in accordance with Section 2.103 of the Charter for special meetings of the Board of Supervisors and its standing or special committees. The

Official Newspaper must publish at least 5 days a week for Type 1 Advertising.

Type 2 – Advertisements for Single or Non-consecutive Days

Official advertising, which must be published one time, other than one-time advertising related to special meetings for the Board of Supervisors and its standing and/or special committees, or more than one time but not more than three times per week for a specified number of weeks. The Official Newspaper must publish at least 3 days a week for Type 2 Advertising.

Mr. Michael Ward of the Purchasing Department estimates that the FY 2000-2001 cost for the City's Type 1 ($23,860) and Type 2 ($917,670) official advertising would total $941,530. Therefore, the estimated amount available for outreach advertising is $94,153, or 10 percent of the $941,530.

2. Mr. Ward notes that other community oriented newspapers submitted bids than those listed in the proposed resolution as shown in the attachment provided by the Purchasing Department. However, since the passage of Proposition J, approved by the voters in November of 1994, bid prices are only one of several factors evaluated and considered when determining the designated outreach newspaper. With the passage of Proposition J, the Purchasing Department is required to recommend to the Board of Supervisors the newspaper with the highest total point score. As shown in the attachment, the S.F. Bay View, Chinese Times, and El Reportero had the highest point scores as determined by the Purchasing Department.

3. Mr. Ward states that the City Attorney has advised that the Board of Supervisors need not accept the Purchasing Department's recommendations to award contracts to the above-noted periodicals and may designate any periodical which is qualified under the Administrative Code. Additionally, pursuant to Sections 2.80-1 (b) and 2.81-4 of the Administrative Code, the Board of Supervisors may specify additional outreach communities, and may authorize additional advertising

for communities not adequately served by the City's outreach periodicals.

4. According to Mr. Luis Espinoza of the Purchasing Department, there is a balance of approximately $47,314 in the Outreach Advertising Fund as of May 23, 2000.

5. The Outreach Advertising Bid Evaluation and Bid Review, provided by the Purchasing Department, are shown as an attachment to this report.

Recommendation: Approval of the proposed resolution is a policy matter for the Board of Supervisors.

Harvey M. Rose

Supervisor Yee
Supervisor Bierman
President Ammiano
Clerk of the Board
Controller
Steve Kawa

Bid Review
Contract Proposal No. 95304
Outreach Advertising

	Bidder No. 1	Bidder No. 2	Bidder No. 3	Bidder No. 4	Bidder No 5	Bidder No 6	Bidder No 7	Bidder No 8	Bidder No 9
Name of Newspaper	El Reportero	Chinese Times	AsianWeek	Sing Tao Daily	World Journal	S F Bayview	S F Bay Times	China Press	International Daily News
Outreach Community	Hispanic	Chinese	Chinese	Chinese	Chinese	African-Amer	Gay/Lesbian/Bi	Chinese	Chinese
Weekly Circulation	20,000	35,100	49,423	121,009	91,000	20,000	43,000	85,000	130,000
Weekly Circulation in Outreach Community	10,000	35,100	40,423	121,009	91,000	20,000	43,000	85,000	120,000
Frequency of Publication	Weekly	6x per week	2x per week	7x per week	7x per week	Weekly	Bi Weekly	6x per week	7x per week
Printed in San Francisco	Yes	Yes	Yes	No	No	Yes	No	Yes	No
Publishing Address	San Francisco	San Francisco	San Francisco	San Francisco	Millbrae	San Francisco	San Francisco	Burlingame	San Francisco
Cost of Newspaper to the General Public	Free	50 cents	Free	50 cents	50 cents	Free	Free	40 cents	25 cents
More than 50% editorial in language of Outreach Community?	Yes	Yes	No	Yes	Yes	No	No	Yes	Yes
Locally-Owned Business	Yes	Yes	Yes	No	Yes	Yes	Yes	No	No
Minority-Owned Business	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes
Woman-Owned Business	No	No	Yes	No	No	No	Yes	No	Yes
Claim Ch 12D Preference	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes
Claim Prop J Preference	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Chapter 12B Status	Compliant	Compliant	Non-Compliant	Non-compliant	Compliant	Compliant	Compliant	Compliant	Non-compliant
Clearinghouse Selected	CNSB	No selection	AsianWeek	No selection	CNSB	CNSB	CNSB	CNSB	No selection

Source: Purchasing Department

Bid Evaluation
(as per Contract Proposal, Section 67)
Contract Proposal No. 95304
Outreach Advertising

	Bidder No. 1 El Reportero	Bidder No. 2 Chinese Times	Bidder No. 3 AsianWeek	Bidder No. 4 Sing Tao Daily	Bidder No. 5 World Journal	Bidder No. 6 S F. Bayview	Bidder No. 7 S.F. Bay Times	Bidder No. 8 China Press	Bidder No. 9 International Daily News
Advertising Price	6.60	15.00	5.85	8.10	7.50	9.75	3 30	5 25	15
Circulation	4.70	2.80	9.30	8.10	6.10	9.30	10.00	6 90	8 00
Periodical Cost	5		5	0	0	5	5	0	0
Local/Minority/Woman Ownership (Prop. J)									
Locally Owned/Operated	2	2	2		2	2	2	0	0
Minority Ownership	2	2	2	2	2	2		2	2
Woman-Owned							2		
Foreign Language Publication	5	5	0	5	5	0	0	5	5
MBE/WBE/LBE Chap. 12D	2.53	0	0	0	0	2 81	0	0	0
TOTAL POINT SCORE	27 83	26.8	24.15	23.2	22.6	30 86	22 3	19 15	30

Source: Purchasing Department

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City and County of San Francisco
Meeting Minutes
Finance and Labor Committee

Members: Supervisors Leland Yee, Sue Bierman, Tom Ammiano

Clerk: Mary Red

Thursday, June 08, 2000 **10:00 AM** **City Hall, Legislative Chamber - 2nd Floor**

Special Budget Workshop

Members Present: Leland Y. Yee, Sue Bierman.

Members Absent: Tom Ammiano.

MEETING CONVENED

The meeting convened at 10:15 a.m.

000769 **[Budget Workshop - June 8, 2000]**

Supervisor Yee

Hearing to consider a budget workshop on the Department of Children, Youth and Their Families and Juvenile Probation Department on Thursday, June 8th at 10:00 a.m.

4/24/00, RECEIVED AND ASSIGNED to Finance and Labor Committee.

Heard in Committee. Speakers: Deborah Alvarez-Rodriguez, Director, Department of Children, Youth and Their Families; Jesse Williams, Chief Probation Officer, Juvenile Probation Department; Dr. Norma Tecson, Executive Director, Filipino-American Council; Jim Richards, Executive Director, Columbia Park Boys and Girls Club; Joe Wilson, Coleman Advocates; Shirley Jones, Executive Director, California Association for Health, Education, Employment and Dignity (CAHEED); Darin Ow-Wing, Community Educational Services; Commissioner Damone Hale, Juvenile Probation Commission.

FILED by the following vote:

Ayes: 2 - Yee, Bierman
Absent: 1 - Ammiano

ADJOURNMENT

The meeting adjourned at 11:48 a.m.

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City and County of San Francisco
Meeting Minutes
Finance and Labor Committee

Members: Supervisors Leland Yee, Sue Bierman, Tom Ammiano

Clerk: Mary Red

Wednesday, June 14, 2000 | **10:00 AM** | **City Hall, Room 263**

Regular Meeting

Members Present: Leland Y. Yee, Tom Ammiano.

Members Absent: Sue Bierman.

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JUN 19 2000

SAN FRANCISCO
PUBLIC LIBRARY

Meeting Convened

The meeting convened at 10:06 a.m.

000977 **[Interim Government Funding, Fiscal Year 2000-2001]**

Interim Annual Appropriation Ordinance appropriating all estimated receipts and all estimated expenditures for the City and County of San Francisco for fiscal year ending June 30, 2001. (Mayor)

6/1/00, RECEIVED AND ASSIGNED to Finance and Labor Committee.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Geoffrey Rothman, Director, Employee Relations Division, Department of Human Resources; Supervisor Yee; Matthew Hymel, Acting Assistant Controller.

RECOMMENDED by the following vote:

Ayes: 2 - Yee, Ammiano
Absent: 1 - Bierman

000978 **[Interim Public Employment, Fiscal Year 2000-2001]**

Interim Annual Salary Ordinance enumerating positions in the Annual Budget and Appropriation Ordinance for the Fiscal Year ending June 30, 2001, continuing, creating or establishing these positions; enumerating and including therein all positions created by Charter or State law for which compensations are paid from City and County funds and appropriated in the Annual Appropriation Ordinance; authorizing appointments or continuation of appointments thereto; specifying and fixing the compensations and work schedules thereof; and authorizing appointments to temporary positions and fixing compensations therefor. (Human Resources Department)

6/1/00, RECEIVED AND ASSIGNED to Finance and Labor Committee.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Geoffrey Rothman, Director, Employee Relations Division, Department of Human Resources; Supervisor Yee; Matthew Hymel, Acting Assistant Controller. Amend the Administrative Provisions to delete internal adjustments for Municipal Executives Association, Section 2.1. Same title.

AMENDED.

RECOMMENDED AS AMENDED by the following vote:

Ayes: 2 - Yee, Ammiano
Absent: 1 - Bierman

000992 **[Redevelopment Agency Interim Budget, Fiscal Year 2000-2001]**

Resolution approving an Interim Budget of the Redevelopment Agency of the City and County of San Francisco for fiscal year 2000-2001. (Redevelopment Agency)

(Fiscal impact.)

5/24/00, RECEIVED AND ASSIGNED to Finance and Labor Committee

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Geoffrey Rothman, Director, Employee Relations Division, Department of Human Resources; Supervisor Yee; Matthew Hymel, Acting Assistant Controller

RECOMMENDED by the following vote:

Ayes: 2 - Yee, Ammiano
Absent: 1 - Bierman

000988 **[Amendment to MOU, Union of Physicians and Dentists for Bargaining Unit 11AA]**

Ordinance implementing the provisions of a mediated agreement between the Union of American Physicians and Dentists and the City and County of San Francisco for Bargaining Unit 11AA to be effective July 1, 2000 (Human Resources Department)

(Fiscal impact.)

5/24/00, RECEIVED AND ASSIGNED to Finance and Labor Committee

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Geoffrey Rothman, Director, Employee Relations Division, Department of Human Resources

RECOMMENDED by the following vote:

Ayes: 2 - Yee, Ammiano
Absent: 1 - Bierman

000989 **[Amendment to MOU, Union of Physicians and Dentists for Bargaining Unit 8CC]**

Ordinance implementing the provisions of a mediated agreement between the Union of American Physicians and Dentists and the City and County of San Francisco for Bargaining Unit 8CC to be effective July 1, 2000. (Human Resources Department)

(Fiscal impact.)

5/24/00, RECEIVED AND ASSIGNED to Finance and Labor Committee

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Geoffrey Rothman, Director, Employee Relations Division, Department of Human Resources

RECOMMENDED by the following vote:

Ayes: 2 - Yee, Ammiano
Absent: 1 - Bierman

000990 **[Amendment to MOU, Locals 250, 535 and 790]**

Ordinance implementing Amendment No. 3 to the 1997-2000 Memorandum of Understanding between the SEIU Locals 250, 535, 790, and the City and County of San Francisco by adding Section 19.N which provides for the pass-through of State of California funds to certain represented classes working at skilled nursing facilities. (Human Resources Department)

(Fiscal impact.)

5/24/00, RECEIVED AND ASSIGNED to Finance and Labor Committee.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Alice Villagomez, Deputy Director, Department Human Resources (DHR). Amended to require DHR to provide specific details of premiums paid to specific classifications. New title.

AMENDED.

Ordinance implementing Amendment No. 3 to the 1997-2000 Memorandum of Understanding between the SEIU Locals 250, 535, 790, and the City and County of San Francisco by adding Section 19.N which provides for the pass-through of State of California funds to certain represented classes working at skilled nursing facilities; requesting specific allocation details. (Human Resources Department)

(Fiscal impact.)

RECOMMENDED AS AMENDED by the following vote:

Ayes: 2 - Yee, Ammiano
Absent: 1 - Bierman

001015 **[MOU, Local 790 Staff and Per Diem Nurses Amendment No. 2]**

Mayor

Ordinance implementing Amendment No. 2 to the 1997-2000 Memorandum of Understanding between the SEIU Local 790 for Staff and Per Diem Nurses and the City and County of San Francisco by adding Sections 19.K and 70.G which provide for the pass-through of State of California funds to certain represented classes working at skilled nursing facilities.

(Fiscal impact.)

5/30/00, RECEIVED AND ASSIGNED to Finance and Labor Committee.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Alice Villagomez, Deputy Director, Department Human Resources (DHR). Amended to require DHR to provide specific details of premiums paid to specific classifications. New title.

AMENDED.

Ordinance implementing Amendment No. 2 to the 1997-2000 Memorandum of Understanding between the SEIU Local 790 for Staff and Per Diem Nurses and the City and County of San Francisco by adding Sections 19.K and 70.G which provide for the pass-through of State of California funds to certain represented classes working at skilled nursing facilities; requesting specific allocation details.

(Fiscal impact.)

RECOMMENDED AS AMENDED by the following vote:

Ayes: 2 - Yee, Ammiano
Absent: 1 - Bierman

000991 **[MOU, Locals 250, 535 and 790]**

Ordinance adopting and implementing the Memorandum of Understanding between the Service Employees Union, AFL-CIO, Locals 250, 535 and 790, and the City and County of San Francisco to be effective for the period July 1, 2000 through June 30, 2003. (Human Resources Department)

(Fiscal impact.)

5/24/00, RECEIVED AND ASSIGNED to Finance and Labor Committee

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Geoffrey Rothman, Director, Employee Relations Division, Department of Human Resources; Michael Haberberger, Local 790; Supervisor Yee; Supervisor Ammiano; Ted Lakey, Deputy City Attorney; Alice Villagomez, Deputy Director, ERD

RECOMMENDED by the following vote:

Ayes: 2 - Yee, Ammiano
Absent: 1 - Bierman

001013 **[MOU, Interns and Residents Association]**

Mayor

Ordinance implementing the provisions of a Memorandum of Understanding between the San Francisco Interns and Residents Association and the City and County of San Francisco for the period July 1, 2000 through June 30, 2003.

(Fiscal impact.)

5/30/00, RECEIVED AND ASSIGNED to Finance and Labor Committee

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Geoffrey Rothman, Director, Employee Relations Division, Department of Human Resources

RECOMMENDED by the following vote:

Ayes: 2 - Yee, Ammiano
Absent: 1 - Bierman

001014 **[MOU, Local 856]**

Mayor

Ordinance adopting and implementing the provisions of a Memorandum of Understanding between the Teamsters Local 856 and the City and County of San Francisco for Supervising Nurses to be effective for the period July 1, 2000 through June 30, 2003.

5/30/00, RECEIVED AND ASSIGNED to Finance and Labor Committee

6/13/00, SUBSTITUTED. From Department of Human Resources, clerical correction to the Memorandum of Understanding only, paragraph 59, page 10

Heard in Committee. Speakers: Geoffrey Rothman, Director, ERD, Department of Human Resources; Harvey Rose, Budget Analyst.

RECOMMENDED by the following vote:

Ayes: 2 - Yee, Ammiano
Absent: 1 - Bierman

001016 **[MOU, Local 790, Staff and Per Diem Nurses]**

Mayor

Ordinance adopting and implementing the terms of a Memorandum of Understanding between the Service Employees International Union, Local 790, AFL-CIO and the City and County of San Francisco for Staff Nurses and Per Diem Nurses to be effective July 1, 2000 through June 30, 2003.

(Fiscal impact.)

5/30/00, RECEIVED AND ASSIGNED to Finance and Labor Committee.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Alice Villagomez, Deputy Director, ERD; Supervisor Yee.

RECOMMENDED by the following vote:

Ayes: 2 - Yee, Ammiano
Absent: 1 - Bierman

001058 **[Library Facilities Bonds]**

Supervisors Brown, Yaki, Newsom, Bierman, Leno, Katz

Resolution determining and declaring that the public interest and necessity demand municipal improvements consisting of the acquisition, rehabilitation, renovation, improvement, construction or reconstruction by the City and County of San Francisco of library facilities and properties other than the main library, and all other works, property and structures necessary or convenient for the foregoing purposes, that the estimated cost of $129,245,000 for said municipal improvements is and will be too great to be paid out of the ordinary annual income and revenue of said City and County and will require the incurring of a bonded indebtedness; finding the proposed project is in conformity with the priority policies of Planning Code Section 101.1(b) and with the General Plan consistency requirement of the Administrative Code Section 2A.53.

(Fiscal impact.)

6/5/00, RECEIVED AND ASSIGNED to Finance and Labor Committee.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Spervisor Brown; Susan Hildreth, Acting City Librarian; Supervisor Ammiano; Gary Lloyd, Department of Public Works; Supervisor Yee.

AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE.

Resolution determining and declaring that the public interest and necessity demand municipal improvements consisting of the acquisition, rehabilitation, renovation, improvement, construction or reconstruction by the City and County of San Francisco of branch libraries and other library facilities, other than the main library, and all other works, property and structures necessary or convenient for the foregoing purposes, that the estimated cost of $105,865,000 for said municipal improvements is and will be too great to be paid out of the ordinary annual income and revenue of said City and County and will require the incurring of a bonded indebtedness; finding the proposed project is in conformity with the priority policies of Planning Code Section 101.1(b) and with the General Plan consistency requirement of the Administrative Code Section 2A.53.

(Fiscal impact.)

RECOMMENDED AS AMENDED by the following vote:

Ayes: 2 - Yee, Ammiano
Absent: 1 - Bierman

ADJOURNMENT

The meeting adjourned at 11:40 a.m.

[Budget Analyst Report]
Susan Hom
Main Library-Govt. Doc. Section

.254

4/00

CITY AND COUNTY OF SAN FRANCISCO

BOARD OF SUPERVISORS
BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642
FAX (415) 252-0461

June 8, 2000

DOCUMENTS DEPT.
JUN 14 2000
SAN FRANCISCO
PUBLIC LIBRARY

TO: Finance and Labor Committee

FROM: Budget Analyst

SUBJECT: June 14, 2000 Finance and Labor Committee Meeting

Items 1, 2 and 3 - Files 00-1087, 00-1088 and 00-0992

1. The proposed legislation would approve the Interim Annual Appropriation Ordinance (File 00-1087), the Interim Annual Salary Ordinance (File 00-1088) and a resolution approving an interim budget for the Redevelopment Agency for Fiscal Year 2000-2001 (File 00-0992).

2. The annual budget process for the City and County requires that the Board of Supervisors approve an Interim Annual Appropriation Ordinance and an Interim Annual Salary Ordinance for Fiscal Year 2000-2001 on or before June 30, 2000. The purpose of these interim ordinances is to provide position and expenditure authorization for the various departments of the City and County during the time that the Finance and Labor Committee of the Board of Supervisors is reviewing the Mayor's recommended budget for Fiscal Year 2000-2001. The budget is scheduled to be adopted by the Board of Supervisors on July 19, 2000.

3. The Interim Annual Appropriation Ordinance and Interim Annual Salary Ordinance are based on the Fiscal Year 2000-2001 proposed budget recommendations of the Mayor. Hence, these ordinances include authorization and funding for all programs and program revisions which are included in the Mayor's proposed 2000-2001 budget. Each program and program revision will be reviewed in detail during the budget hearings which have been scheduled by the Finance and Labor Committee from June 20 through June 29, 2000.

4. The proposed resolution (Item 3, File 00-0992), approving an interim budget for the Redevelopment Agency, provides authority for the Redevelopment Agency to function under the State Community Redevelopment Law for the period from July 1, 2000 until the Redevelopment Agency's budget for FY 2000-2001 is finally approved by the Board of Supervisors, as required by Section 33606 of the State

law. Approval of the proposed resolution would not constitute final approval of new positions, program expenditures, or Tax Increment Bonds for FY 2000-2001.

5. As a general policy, in previous years, the Board of Supervisors has not approved new positions and programs during the interim budget period without detailed review. This general policy has been implemented by instructing the Controller not to certify the availability of funds for new positions, new programs or program expansions during the interim budget period between July 1 and July 31. If an exception is approved by the Board of Supervisors, new positions can be filled effective July 1. Otherwise, new positions will generally not be filled until August 1 at the earliest.

6. The Administrative Provisions of the Interim Annual Appropriation Ordinance further state that no funds shall be allotted until August 1 for capital improvements and equipment. However, leased equipment is not subject to this provision. In certain cases, specific exceptions to these general policies have been approved by the Board of Supervisors. Exceptions have been based on such factors as new positions and programs that produce revenue or prevent major service deficiencies which would result from delays in filling new positions or starting new programs. Approval of some equipment purchases, for example, could result in cost savings.

7. The Controller has prepared revisions to the Administrative Provisions of the Interim Annual Appropriation Ordinance (AAO). These proposed revisions are described below:

- **SECTION 9. Interdepartmental Services:** A new paragraph has been substituted stating that: *The amount detailed in departmental budgets for services of other City departments cannot be transferred to other spending categories without prior agreement from both the requesting and performing departments.*
  According to Mr. Matthew Hymel, Deputy Controller, this language has been included to prevent expenditures from being incurred by work order performing departments without reimbursement from requesting departments.

- **SECTION 10.11 Changes in Health Services Eligibility:** New language has been added stating that: *Should the Board of Supervisors amend Administrative Code Section 16.700 to change the eligibility in the City's Health Service System, the Controller is authorized and directed to transfer from any legally available funds or the Salary and Fringe reserve for the amount necessary to provide health benefit coverage not already reflected in the departmental budgets.*

This language is added to permit adjustments to the Annual Appropriation Ordinance should a proposed amendment to the Administrative Code be adopted by the Board of Supervisors.

- The following sections have been deleted:

  SECTION 11.11 Stadium Inc. Bonds: Hotel Tax revenues formerly transferred to the Recreation Park Department to retire bonded indebtedness for Candlestick Park should now be retained by the General Fund as such bonds have now been fully redeemed.

  SECTION 11.17 Capital Items: deletes obsolete provision concerning a capital reserve item included in the FY 1999-2000 Annual Appropriation Ordinances.

  SECTION 11.26 Property Transfer Tax Proceeds: deletes a provision for the use of excess Property Transfer Tax Proceeds that was included for the FY 1999-2000 budget.

  SECTION 12.7 Public Health Contractual Services: deletes provision added in FY 1998-99 prohibiting substitution of Public Health Contractual Services with civil service employees without prior Board of Supervisors approval.

- **SECTION 12.7 Department of Public Health Transfer Payments:** Proposed language is added stating: *To more accurately reflect the total net budget of the Department of Public Health, this ordinance shows net revenues received from certain state and federal health programs that require a transfer. Funds necessary to participate in such programs that require transfer payments are hereby appropriated.*
  This provision simplifies the budget presentation of net expenditures for the Department of Public Health.

- **SECTION 12.8 Proposition E, Municipal Transportation Agency**: Proposed language is added stating: *Consistent with the provisions of Proposition E creating the Municipal Transportation Agency, the Controller is authorized to make such transfers and reclassification of accounts necessary to properly reflect the provision of central services to the Municipal Transportation Agency in the books and accounts of the City. No change can increase or decrease the overall level of the City's budget.*
  This provision will allow technical adjustments to the Annual Appropriation Ordinance (AAO) consistent with the requirements of the Charter as amended by Proposition E approved by the voters in November of 1999.

- **Section 12.9 Treasure Island Authority**: Proposed language is added stating: *Should the Treasure Island property be conveyed and deed transferred from the federal government, the Controller is hereby authorized to make budgetary adjustments necessary to ensure that there is no General Fund impact from this conveyance.*
  This provision will allow technical adjustments to the AAO resulting from the transfer of Treasure Island to the City from the Federal government as long as such transfer results in no increase in General Fund spending.

- **SECTION 15. Departments**.
  Proposed language is added concerning City departments as follows:

  (b) There shall be a Department of Child Support Services established pursuant to state law. The Mayor shall appoint and may remove at his or her pleasure a Director of Child Support Services.
  (**Note**: the Controller will be submitting an amendment to the Interim AAO to make this provision consistent with State Law).

  (h) There shall be a Department of Adult and Aging Services under the Mayor. The department shall include functions of the Commission on the Aging, Public Guardian and the Mental Health Conservator, and any other duties and responsibilities assigned by ordinance or by the Mayor pursuant to Charter Section 4.132.

  The Department and the Commission on the Aging ("the Commission") shall coordinate their operations to the greatest extent possible so as to improve the delivery of services, increase administrative efficiencies and eliminate duplication of efforts. To this end, the Department and the Commission may share facilities and operate joint programs. This coordination is not intended to diminish the authority and the discretion of the Commission on the Aging and the Commission's Director over matters under the jurisdiction of the Commission.

  The Director of the Commission on the Aging may also serve as the department head of the Department of Adult and Aging Services, but shall receive no extra compensation solely by virtue of the dual appointment. If a dual appointment is made, the authority of the Commission on the Aging to dictate policy to its Director shall not extend to matters under the jurisdiction of the Department of Adult and Aging Services.

  The new language for Section 15 of the Administrative Provisions of the AAO implements legislation is required by State law for the Department of Child Support Services. The creation of this department is also the subject of a proposed amendment to the Administrative

Code. The formation of the Department of Adult and Aging Services has been incorporated into the Mayor's recommended budget for FY 2000-2001.

- **SECTION 24 Cost-of-Living Adjustment for Non-Profit Service Providers**: Proposed new language is added as follows: *Funds provided in the departmental budgets for a fiscal year 2000-2001 cost-of-living adjustment for non-profit service providers shall be dedicated to increasing wages and first priority given to those employees earning less than $9 per hour.*
  This proposed language would implement the intent of the Mayor's FY 2000-2001 Recommended Budget with respect to the use of cost-of-living adjustments for non-profit service providers. The Mayor's Recommended Budget includes total funding of $5,031,787 for such cost-of-living adjustments for Non-Profit Service Providers.

8. The proposed Interim Annual Salary Ordinance (ASO) includes amended Administrative Provisions which adds the following new Section:

SECTION 2. COMPENSATION PROVISIONS

2.1. Internal Adjustments for the Municipal Executives Association (MEA)

The adoption of this ordinance includes approval of internal adjustments for certain classifications pursuant to the provisions of the Memorandum of Understanding between the Municipal Executives Association and the City and County.

2.2 PUC Employees assigned to Hetch Hetchy.

The Public Utilities Commission will pay a stipend of $131 per month to employees residing in designated zip code areas enrolled in the Health Services System with employee plus two or more dependents where HMOs are not available and such employees are limited to enrollment to City Plan I.
(This provision is for Hetch Hetchy employees who live in areas such as Tuolumne County where HMO Health Care coverage is not available).

Section 2.1, concerning Internal Adjustments for certain MEA classifications would approve such internal adjustments as recommended by the Department of Human Resources. Separate legislation concerning the proposed internal adjustments has not been submitted to the Board of Supervisors for separate approval. Approval of this proposed Interim Annual Salary Ordinance would approve the recommended internal adjustments.

The recommended internal adjustments for 21 classifications representing 37 budgeted positions are shown in the table below.

Proposed Internal Adjustments for Municipal Executives Association Classifications

Classification	Budgeted Positions	Current Salary at Top Step	Proposed Salary at Top Step	Percentage Increase
1105 Executive Director, Rent Arbitration Board	1	$ 93,459	$ 105,144	12.5%
1107 Deputy Director, Rent Arbitration Board	1	76,845	80,080	4.2%
1125 Division Manager, Registrar of Voters	4	70,347	80,080	13.8%
1128 Registrar of Voters	1	95,709	105,144	9.9%
1131 Ass't Public Administrator, Public Guardian	1	71,709	79,872	11.4%
2455 Pharmacy Director, LHH	1	84,731	99,476	17.4%
2584 Chief Medical Examiner-Coroner	1	157,986	164,632	4.2%
2742 General Services Supervisor	1	42,916	43,940	2.4%
2969 Social Services Program Manager	9	84,285	86,138	2.2%
5189 Manager, Utilities Engineering Bureau	1	128,459	128,518	0.05%
8336 Manager, Finance and Administration, JP	1	78,312	90,220	15.2%
9364 General Sup't of Harbor Maintenance	1	87,665	92,716	5.8%
9378 Development Project Coordinator, Port	4	69,351	81,432	17.4%
1108 Executive Director, Health Service System	1	96,652	110,188	14.0%
1278 Division Manager Personnel	3	100,896	110,188	9.2%
1172 General Manager, PUC	1	151,384	188,188	24.3%
8166 Worker's Compensation Supervisor II	1	82,661	90,818	9.9%
1565 Assistant Director, Art Commission *	1	61,963	77,922	25.8%
2452 Director of Pharmaceutical Services *	1	84,731	99,476	17.4%
2459 Forensic Laboratory Manager *	1	63,797	77,922	22.1%
9379 Chief Harbor Engineer *	1	110,197	120,042	8.9%
	37			

* Persons occupying these positions are already being paid at the recommended higher salary rates through temporary exchanges with Special Assistant classifications.

As shown in the table above, the proposed internal adjustments result in salary increases ranging from .05 percent (for the 5189 Manager, Utilities Engineering Bureau) to 25.8 percent (for the 1565 Assistant Director, Art Commission). The dollar value of the proposed salary increases (calculated at the top step) ranges from $59 annually (for the 5189 Manager, Utilities Engineering Bureau) to $36,804 annually (for the 1172 General Manager, Public Utilities Commission).

The Budget Analyst estimates that the total annual cost of the proposed internal adjustments for the 37 budgeted positions, calculated at the top step and including variable fringe benefits, is approximately $293,750.

According to Ms. Janet Bosnich, Compensation Manager for the Department of Human Resources (DHR), the internal adjustments shown in the table above were reviewed by DHR and recommended in accordance with procedures specified in the MOU between the City and the Municipal Executives Association (MEA). Such procedures require evaluation of requests for review by DHR and recommendation of internal adjustments to the Mayor for approval prior to

inclusion in the proposed Annual Salary Ordinance submitted to the Board of Supervisors for approval. Criteria for internal adjustments include demonstrated recruitment or retention problems and salary relationships with subordinate classifications that are members of different bargaining groups.

For example, the 24.3 percent increase for the 1172 General Manager – Public Utilities Commission was recommended after a survey by DHR found that prevailing salaries were higher for similar positions in other jurisdictions, according to Ms. Bosnich. The recommended internal adjustments would make the 1172 General Manager classification, at an annual top step salary of $188,188, equal to the three highest paid positions in the City, the Director of Public Health, the Director of the Airport and the Controller.

9. In past years, the Mayor's recommended Interim Annual Appropriation Ordinance and the Interim Annual Salary Ordinance have, in general, been routinely approved by the Board of Supervisors, with the exception of new positions and new programs, capital improvements and equipment, as noted above.

10. At the direction of the Finance and Labor Committee and the full Board of Supervisors, the Budget Analyst has historically been instructed to analyze the Mayor's recommended budget in detail and make recommendations for reducing the Mayor's recommended budget only if such recommendations do not result in service level reductions. Budget reductions recommended by the Budget Analyst and approved by the Board of Supervisors, have often been used by the Board of Supervisors as a source of funds to: (a) restore items deleted in the Mayor's recommended budget; (b) include new items in the budget based on the priorities of the Board of Supervisors; and/or (c) increase the General Fund Reserve. In accordance with the Charter, the reallocation of any savings realized from budget reductions made by the Board of Supervisors can now be made by the Board of Supervisors without appropriation approval by the Mayor, in accordance with the priorities of the Board of Supervisors. However, such reallocations would be subject to Mayoral veto.

11. In accordance with the Fiscal Year 2000-2001 Budget Calendar, the Interim Annual Appropriation Ordinance and the Interim Annual Salary Ordinance are scheduled to be passed on first reading at the June 19, 2000 meeting of the Board of Supervisors. Final passage of these ordinances is scheduled for June 26, 2000.

12. The Budget Analyst has previously been advised by Mr. Burke Delventhal of the City Attorney's Office that the Board of Supervisors is required to approve the Mayor's recommended Interim Annual Appropriation Ordinance and Interim Annual Salary Ordinance (and therefore the Interim Budget), subject to any additional reductions which the Board may choose to make, by no later than June 30th of each year. Mr. Delventhal has further advised the Budget Analyst that if these ordinances are not approved by the Board of Supervisors by June 30, the

Controller will no longer have authority to issue payroll warrants to City and County employees or to issue other warrants to pay for any other City and County services.

Mr. Harrington has previously advised the Budget Analyst that he concurs with the opinion of Mr. Delventhal. The Controller would cease to issue any further City and County warrants unless the Board of Supervisors approves an Interim Annual Appropriation Ordinance and Interim Annual Salary Ordinance (the Interim Budget) by June 30.

13. Typically, exceptions to the Interim Annual Appropriation Ordinance and the Interim Annual Salary Ordinance are recommended by the Mayor in order to authorize new positions, equipment or capital projects during the interim budget period. However, the Mayor's Office is recommending no exceptions to the FY 2000-2001 Interim Annual Appropriation Ordinance and the Interim Annual Salary Ordinance.

14. Normally the Budget Analyst would recommend approval of the Interim Annual Appropriation Ordinance and the Interim Annual Salary Ordinance. However, because the proposed Interim Annual Salary Ordinance includes new internal adjustments for 21 MEA classifications covering 37 employees, the Budget Analyst considers approval of the proposed ordinances a policy matter for the Board of Supervisors.

Recommendation

1. Approve Item 3, File 00-0992, the resolution approving an interim budget for the Redevelopment Agency for Fiscal Year 2000-2001 (File 00-0992).

2. Approval of Item 1, File 00-1087 and Item 2, File 00-1088, the Interim Annual Appropriation Ordinance and the Interim Annual Salary Ordinance, are policy matters for the Board of Supervisors.

Memo to Finance and Labor Committee
June 14, 2000 Finance and Labor Committee Meeting

Items 4 and 5 - Files 00-0988 and 00-0989

Department: Department of Human Resources (DHR)

Item: File 00-0988 Ordinance implementing the provisions of a Mediated Agreement between the Union of American Physicians and Dentists and the City and County of San Francisco for Bargaining Unit 11AA to be effective July 1, 2000.

File 00-0989 Ordinance implementing the provisions of a Mediated Agreement between the Union of American Physicians and Dentists and the City and County of San Francisco for Bargaining Unit 8CC to be effective July 1, 2000.

Description: Approval of the proposed ordinances would authorize the City to enter into a Mediated Agreement with the Union of American Physicians and Dentists, Bargaining Units 11AA and 8CC, which would be effective for a one-year period from July 1, 2000 through June 30, 2001. The proposed agreement would cover 7 classifications, comprising 150 employees, as follows:

2210	Dentist
2220	Physician
2230	Physician Specialist
2231	Senior Physician Specialist
2292	Shelter Veterinarian
2582	Forensic Pathologist
2232	Supervising Physician Specialist

Currently, the City has a Collective Bargaining Agreement (CBA) with the Union for FY 1997-1998 through FY 2000-2001. The existing CBA provides that an employee who participates in a medical quality incentive program[1] may receive a one-time incentive bonus equal to up to 3 percent of the prior fiscal year's base salary. Pursuant to a reopener provision in the CBA, the City commenced bargaining with the Union in October of 1999 as to whether or not any of the 3 percent potential bonus for which employees would be

[1] The medical quality incentive program is a joint labor-management program to create an incentive program that compensates covered employees for providing high quality care.

eligible on July 1, 2000, should instead be made in the form of an adjustment to base wages during FY 2000-2001. In contrast to the one time bonus, the adjustment to salary would have ongoing fiscal impact. The City and Union were unable to reach agreement and participated in arbitration in April of 2000. The parties entered into a Mediated Agreement on May 9, 2000.

Comments:

1. According to Ms. Alice Villagomez of HRD, all covered employees are eligible for the full 3 percent bonus. Under the Mediated Agreement, the City would reduce the bonus by 1.5 percent, resulting in a 1.5 percent bonus, to be paid within 60 days of July 1, 2000. Additionally, the City would increase the scheduled increase in base wages by 1.5 percent, resulting in an increase in base wages from the original scheduled increase of 2 percent for all employees to 3.5 percent, effective July 1, 2000. The Budget Analyst notes that the City would incur permanent ongoing increased costs as a result of allocating 1.5 percent to base wages rather than to a one-time bonus.

2. According to Ms. Peg Stevenson of the Controller's Office, and as shown in the Attachment, the Controller's Office estimates that the proposed MOU will cost the City an additional $153,653 in FY 2000-01. The Budget Analyst concurs with the Controller's Office. Ms. Stevenson advises that the source of funds to pay for the subject increases would be the General Fund Salary and Benefits Reserve Fund, included in the proposed FY 2000-01 budget for $34,659,656 as well as other Special Fund revenue sources.

5. The Budget Analyst advises that the total estimated cost of all of the MOUs included on this Finance and Labor Committee calendar is $36,493,253 for FY 2000-01. As noted above, the Salary and Benefit Reserve Fund, included in the proposed FY 2000-01 budget currently totals $34,659,656. Ms. Stevenson advises that the General Fund Salary and Benefit Reserve Fund is intended to pay for only the City's General Fund salary, fringe benefit and related MOU costs, with the Special Fund Departments (e.g., Airport, Port, Rent Board, War Memorial, etc.) separately responsible for paying for their increased salary and fringe benefit costs. According to Ms. Stevenson, there will be sufficient funds to pay for all of the expenses related to the increased costs of these MOUs

from the FY 2000-2001 General Fund Salary and Benefit Reserve Fund and other Special Fund revenues included in the City's FY 2000-01 annual budget.

Recommendation: Approval of the proposed ordinances is a policy matter for the Board of Supervisors.

CITY AND COUNTY OF SAN FRANCISCO OFFICE OF THE CONTROLL

Edward Harrin
Contr

Matthew H. H
Chief Assistant Contr

June 8, 2000

Ms. Gloria L. Young, Clerk of the Board
Board of Supervisors
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

RE: Mediated agreement between the Union of American Physicians and Denusts and the City and County of San Francisco. File No. 00-0988 and File No. 00-0989

Dear Ms. Young,

In accordance with Ordinance 92-94, I am submitting a cost analysis of a mediated agreement between the Union of American Physicians and Denusts and the City and County of San Francisco. The agreement covers the period July 1, 2000 through June 30, 2001, and affects approximately 173 employees with a salary base of approximately $19.4 million.

Based on our analysis, the agreement will result in estimated incremental costs of approximately $154,000 in FY 2000-2001, representing a cost increase above the base salary amount of approximately 0.8% in FY 2000-2001. Please see Attachment A for specific cost estimates.

If you have any additional questions or concerns please contact me at 554-7500 or Peg Stevenson of my staff at 554-7522.

Sincerely,

Edward M. Harrington
Controller

cc: Alice Villagomez, ERD
Harvey Rose, Budget Analyst

Attachment A
Union of Physicians and Dentists
Estimated Costs 2000-2001
Controller's Office

Annual Incremental Costs/(Savings)	FY 2000-2001
Wage Increase	
Increase COLA from 2% to 3.5% July 1, 2000	$290,519
Medical Quality Incentive Program	
Reduce Bonus from 3% to 1.5%	(157,279)
Wage-Related Fringe Increases	20,412
Total Estimated Incremental Costs	153,653
Annual Amount Above 2000-2001 Level	$153,653
Incremental Cost % of Salary Base	0.79%

Memo to Finance and Labor Committee
June 14, 2000 Finance and Labor Committee Meeting

Items 6 and 7 - Files 00-0990 and 00-1015

Department: Department of Human Resources (DHR)

Items: File 00-0990: Ordinance implementing Amendment No. 3 to the 1997-2000 Memorandum of Understanding between the SEIU Locals 250, 535 and 790 and the City and County of San Francisco by adding Section 19.N which provides for the pass-through of State of California Funds to certain represented classes working at skilled nursing facilities.

File 00-1015: Ordinance implementing Amendment No. 2 to the 1997-2000 Memorandum of Understanding between the SEIU Local 790 for Staff and Per Diem Nurses and the City and County of San Francisco by adding Sections 19.K and 70.G which provide for the pass-through of State of California Funds to certain represented classes working at skilled nursing facilities.

Description: There is an existing Memorandum of Understanding (MOU) between the City and SEIU Locals 250, 535 and 790 and another existing MOU between the City and Local 790 for Staff Nurses and Per Diem Nurses, both of which became effective July 1, 1997 and will terminate on June 30, 2000, a three-year period. The proposed ordinances would amend these two existing MOUs, to be effective retroactively to July 1, 1999. Under the proposed amendments, new sections would be added to these existing MOUs, to state that pursuant to the provisions of State Welfare and Institutions Code Section 14110.6, since the State of California provides additional pass-through funds to the City of San Francisco for compensating health care employees who are assigned to skilled nursing facilities, an additional premium will be paid to such health care providers.

In accordance with the proposed amendments, the total aggregate cost of such premiums and related expenses cannot exceed the amount of eligible State pass-through funding for such compensation and

related costs, or $1.5 million for Fiscal Year 1999-2000 for the eligible SEIU Citywide classes and the SEIU staff and per diem nurses. This additional premium would be reimbursed to the qualifying health care employees assigned to skilled nursing facilities for the pay period closest to, but not earlier than August 1, 1999 through June 30, 2000. The exact amount of the premium, method of payment and eligibility for the premium would be determined by representatives from the Department of Human Resources (DHR), the Department of Public Health (DPH) and SEIU within 60 days of the approval of this amendment by the Board of Supervisors.

Comments:

1. Ms. Alice Villagomez of the Department of Human Resources advises that under the proposed ordinances, health care employees assigned to skilled nursing facilities means only specific represented City employees who are assigned to work at Laguna Honda Hospital and San Francisco General Hospital. As shown in the Attachment provided by Ms. Villagomez, the proposed ordinances would affect five eligible classifications assigned to work at Laguna Honda Hospital and San Francisco General Hospital, and would affect a total of 1,022 budgeted positions.

2. As noted above, the total estimated cost of the proposed ordinances is $1.5 million for FY 1999-2000. All of the proposed $1.5 million of funds would be State of California Skilled Nursing Facility Pass Through Funds allocated to San Francisco pursuant to the provisions of State Welfare and Institutions Code Section 14110.6.

3. The proposed amendments, related to the Skilled Nursing Facility Pass Through Funds, in the existing MOUs, would also be included in the new MOUs with these two bargaining units effective July 1, 2000 through June 30, 2003, as discussed in Items 8 and 11, Files 00-0991 and 00-1016 of this report. Under these proposed MOUs for Fiscal Years 2000-01 through 2002-03, the costs are not included in the MOU for future fiscal years,

although, according to Ms, Villagomez, the intent is that all of the costs would be funded 100 percent by the State of California Skilled Nursing Facility Pass-through Funds. As of the writing of this report, the Controller had not yet estimated the costs of the proposed ordinance for FY 1999-2000 or for future years. Ms. Peg Stevenson of the Controller's Office advises that the Controller's Office plans to issue a report estimating the costs of the proposed ordinance prior to the June 14, 2000 Finance and Labor Committee Meeting.

4. As noted above, the exact amount of the premiums to be paid, the method of payment and the eligibility for the premiums will be determined by DHR, DPH and SEIU within 60 days of the approval of this amendment by the Board of Supervisors. Therefore, the Budget Analyst notes that approval of these ordinances at this time would preclude the Board of Supervisors from having the specific cost details related to the total amount of additional compensation and the percentage increases to be paid to specific classifications. Ms. Villagomez reports that due to the limited amount of time available for determining that the City needed to comply with this State requirement for pass-through funds, which needs to be approved by July 1, 2000, DHR did not have sufficient time to determine the specific allocation of the State funds for premiums to be paid to which eligible classifications and is unable to develop such documentation for the Board of Supervisors on a before-the-fact basis. However, Ms. Villagomez advises that once the allocation of the premiums are determined, DHR will report the specific details to the Board of Supervisors.

5. According to Ms. Villagomez, if these proposed amendments are not approved, the City would be required to pay back to the State the estimated $1.5 million that the City received in FY 1999-2000, plus an additional ten percent penalty of $150,000, or a total of $1,650,000.

Recommendations: Amend the proposed ordinances to require DHR to provide the specific details of the allocation of the premiums to be paid to which specific classifications, as soon as such information is available. Approval of the proposed ordinances, as amended, is a policy matter for the Board of Supervisors.

Attachment

Skilled Nursing Facility "Pass Through"
Affected Classifications and Number of Positions

Classification	Number of Positions	
	SFGH Unit 4A Skilled Nursing Facility	Laguna Honda Hospital
2302 – Nursing Assistant	10	553
2312 – Licensed Vocation Nurse	5	72
2320 – Registered Nurse	19	244
2328 – Nurse Practitioner	2	0
P-103 – Per Diem Nurse	10	107*
Total	**46**	**976**

*P-103's may either be assigned to Adult Day Health or to the Skilled Nursing Facility at Laguna Honda Hospital.

Memo to Finance and Labor Committee
June 14, 2000 Finance and Labor Committee Meeting

Item 8 - File 00-0991

Department: Department of Human Resources (DHR)

Item: Ordinance adopting and implementing the Memorandum of Understanding (MOU) between the Service Employees International Union (SEIU), AFL-CIO, Locals 250, 535 and 790 and the City and County of San Francisco, to be effective for the period July 1, 2000 through June 30, 2003.

Description: There is an existing Memorandum of Understanding (MOU) between the City and SEIU Locals 250, 535 and 790, which became effective July 1, 1997 and will terminate on June 30, 2000, a three-year period. The proposed ordinance would adopt and implement a new MOU between the City and SEIU Locals 250, 535 and 790. The proposed MOU is for the three-year period from July 1, 2000 through June 30, 2003. Local 250 covers 47 classifications, Local 535 covers 25 classifications and Local 790 covers 359 classifications. Overall, this MOU covers a total of 11,082 employees. The major provisions of this MOU are summarized below.

Wage Increases

The proposed MOU would provide wage increases, totaling 14 percent over the three-year period of the MOU, to all covered employees based on the following schedule:

Date	Percent Wage Increase
July 1, 2000	3.0%
January 6, 2001	2.5%
July 1, 2001	2.0%
January 5, 2002	3.0%
July 1, 2002	3.5%

In addition, effective July 1, 2000, 2442-Diagnostic Medical Sonographers wage rates will be increased by another ten percent. The Department of Human Resources (DHR) advises that this increase will affect three budgeted positions.

Health Benefits

Currently, the City contributes $225 per month per employee for dependent coverage. Under the proposed MOU, if dependent care exceeds $225 per month, the City would have to adjust its payment to up to 75 percent of the cost of Kaiser's dependent health care premium for the employee plus two or more dependents. DHR reports that for FY 2000-01, the cost for such dependent care is estimated to be $261 per employee.

Under the proposed MOU, the City will propose changes to the Health Service eligibility criteria to permit enrollment of provisional employees, who are hired on a provisional basis, for a period of up to three years, because there is no Civil Service list from which to hire a permanent employee. In addition, the City will meet and confer with SEIU and other affected unions if a Charter Amendment is proposed to allow the City to provide CalPERS health insurance coverage.

Floating Holidays

Currently, full-time employees receive 24 hours (3 work days) off for floating holidays. Effective July 1, 2002, full-time employees would receive 32 hours (4 work days), or one additional day off for floating holidays.

Regular Holidays

The existing MOU requires employees to use their holiday days off within the fiscal year. The proposed MOU would permit employees to carryover unused holidays to the next fiscal year.

Overtime

Currently, only non-Z employees (Z employees are licensed professional employees who are exempt from the Federal Fair Labor Standards Act) receive overtime pay at time and one-half, unless compensatory time is requested. The proposed MOU would extend such overtime pay benefits to 2450 Pharmacists, unless the individual employee requests compensatory time in writing.

Night Duty

Currently, qualifying employees are paid an additional eight percent above their base wage for each hour worked from 5pm to 7am. The proposed MOU would add eight additional classifications and delete two classifications of Department of Public Health (DPH) workers eligible to receive evening and night shift differentials of this additional eight percent. DHR estimates that this adjustment will result in approximately 3,700 budgeted positions eligible to receive Night Duty payments.

The proposed MOU would also establish a new night shift differential of ten percent, or an increase of two percent, for all qualifying employees for each hour worked between midnight and 7am, provided that at least five hours are worked during that period.

Bilingual Pay

The proposed MOU would increase full-time bilingual pay premiums from $50 to $60 per pay period, a $10 or 20 percent increase, and increase part-time bilingual pay premiums from $35 to $40 per pay period, a $5 or 14 percent increase. DHR estimates that approximately 410 budgeted positions would be eligible for these full-time bilingual pay premiums and 491 budgeted positions would be eligible for these part-time bilingual pay premiums.

Standby Pay

Currently, employees required to be available on call for immediate emergency service are paid 25 percent of their regular straight time pay for their standby service and are paid 10 percent of their regular straight time pay when provided an electronic paging device for such standby service. The proposed MOU would provide that Trauma Response Members (Classifications 2494, 2495 and 2310) be paid 50 percent of their regular straight time pay for their standby service and on holidays that such employees be paid 75 percent of their regular pay. DHR advises that this provision would affect 12 budgeted

positions and is the same rate of Standby Pay earned by Nurses.

Holdover Pay

Currently, there is no provision for Holdover Pay. The proposed MOU would add a new provision that full-time employees held over to work after having worked a regularly scheduled shift would be paid one and one-half times their regular rate of pay for the holdover period.

Lead Person Premium

Currently, only six specific classifications are entitled to receive lead person premiums of an additional $5 per day. The proposed MOU would extend this $5 per day premium benefit to all classifications when at least two employees are working together and one acts as the lead. DHR reports that the number of employees affected by this provision will fluctuate.

Training Premium

The proposed MOU would increase the additional training premiums for 8214 Parking Control Officers from the current $1.40 per hour to $2.00 per hour, an increase of $.60 or 43 percent. DHR advises that this premium would affect one or two budgeted positions.

Pay Equity

The current MOU provided $2 million for Pay Equity increases in FY 1997-98 and $1.5 million for Pay Equity increases in FY 1998-99. The proposed MOU would provide that the City set aside $1.1 million for Pay Equity, of which $200,000 would be used to fund a Pay Equity study, to be completed by July 1, 2001. Under the proposed MOU, implementation of such Pay Equity adjustments would begin effective July 1, 2002.

Appointments Above the Entrance Rate

Currently, only permanent or exempt employees can be hired above Step 1, if five specific conditions apply. The

proposed MOU would enable any employee to be hired above Step 1, if any of the five conditions apply.

Compensation Study

The City agrees to complete a compensation study of 2494 Staff Radiologic Technologist and 2495 Senior Radiologic Technologists by December 31, 2000, and to meet and confer with SEIU in order to implement changes in compensation by July 1, 2001. Ms. Alice Villagomez of DHR reports that this compensation study will be performed by the Department of Public Health (DPH) staff and the costs for this study would be absorbed within the DPH's existing budget.

Employee Assistance Program

The proposed MOU would extend the funding of the Employee Assistance Program at $125,000 annually, administered by the Department of Public Health.

Maximum Accrual of Compensatory Time

Currently, Limited Tenure (L) designated employees can accumulate more than 240 hours of compensatory time, calculated at time and one-half. The proposed MOU would provide that such Limited Tenure designated employees can accrue no more than 480 hours of compensatory time calculated at time and one-half.

Skilled Nursing Facility Pass Through

The proposed MOU includes provisions for paying additional premiums to employees assigned to a Skilled Nursing Facility (i.e., Laguna Honda Hospital), based on the pass-through funds received by the City from the State of California. See Items 6 and 7, Files 00-0990 and 00-1015 of this report for additional details regarding changes to the existing MOUs for this provision. DHR estimates that this provision will affect approximately 1,022 budgeted positions.

Uniforms

Adds six classifications (7270-Watershed Keeper Supervisor, 7470-Watershed Keeper, 8201-Adult Crossing Guard, 3202-Locker Room Attendant, 9110-Fare Collections Receiver and 9116-Senior Fare Collections Receiver) for which the City would be required to provide uniforms and/or special equipment and enhances the uniforms and replacement uniforms that the City will provide for 8214-Parking Control Officers and 8216-Senior Parking Control Officers.

Department of Human Services (DHS) Provisions

The proposed MOU includes new provisions for examining caseloads of DHS workers, seeking additional State funding for DHS workers and meeting and conferring with SEIU to reach agreement on caseload standards and for resolving workload issues for each DHS program.

Currently, 2910 Social Workers, 2912 Senior Social Workers and 2914 Social Worker Supervisors in the Adult Protective Service unit receive 10 percent premiums above their base salary. Under the proposed MOU, this would remain the same. The proposed MOU would also add a new provision that 2940 Protective Services Workers and 2944 Protective Services Worker Supervisors in the Family and Children's Services Division emergency response receive a five percent premium above their base pay. DHR advises that this new provision would affect approximately 200 budgeted positions.

Under the proposed MOU, the City, through the Department of Human Services (DHS), also agrees to develop a Licensing Supervisor Program for Protective Service Workers for which employees can be reimbursed up to $500 per year from the existing $40,000 annual Tuition Reimbursement Fund, and to include the necessary funding in the DHS budget for continued operation of such a Supervision Program. The employee would be required to reimburse the $500 to the City if the employee terminates participation in the two-year Supervision Program prior to completion. In addition, specific State licensing requirements for Licensed Clinical

Social Workers and Marriage and Family Therapists and the Supervision requirements for Protective Service Workers are included in the proposed MOU.

Mental Health Rehabilitation Workers

Effective July 1, 2000, the proposed MOU would eliminate the lowest four Steps (Steps 1 through 4) in the current 10 Step compensation schedule for Class 2303 Mental Health Rehabilitation Workers and upgrade all employees to at least Step 5. Effective July 1, 2001, the proposed MOU would again eliminate the then lowest step for such employees, and again upgrade all these employees to the next highest step. DHR estimates that this provision will affect 49 budgeted positions.

Volunteers and Vacancies

Currently, the MOU states that the City will not use volunteers to displace permanent employees. The proposed MOU provides that the City will not use volunteers (e.g., CALWORKS clients) to displace any SEIU employees. In addition, the proposed MOU states that the City will not keep authorized budgeted positions vacant nor is it the intent of City Departments to initiate the reduction of the number of budgeted positions to use volunteers, CALWORKS, or other similar programs.

Staffing Levels and Schedules

The proposed MOU would require the City, if requested by SEIU, to meet and confer regarding reductions in the workforce that impact on the remaining workforce's working conditions. A specific new provision for the Department of Public Health would also require prior notification of SEIU of at least 40 working days regarding service changes which impact on SEIU members' wages, hours or working conditions. In addition, the proposed MOU would add a new provision to state that schedules of individual employees cannot be temporarily changed to avoid paying overtime.

Public Utility Commission (PUC) Housing

Currently, each PUC housing unit is rented to City employees at a flat rate of $50 per bedroom plus $50 for each additional room. The proposed MOU would codify the rental rates to be paid by employees residing in City housing units at Hetch Hetchy of $50 per bedroom plus $50 for each additional room. Effective July 1, 2000, Bay Area Housing rental rates to be paid by such City employees would be $100 per bedroom plus $100 for each additional room, with annual cost-of-living adjustments beginning on July 1, 2001. Utilities in Hetch Hetchy housing would be billed at $60 per month and for Bay Area housing, utilities would be billed at the meter rates, where meters are in place. The proposed MOU would also guarantee housing for 7270 Watershed Keeper Supervisors and 7470 Watershed Keepers that are currently residing in such PUC housing, and thereafter, based on seniority and special skills.

Meal Breaks

Currently, although the MOU is silent, the Federal Fair Labor Standards Act requires payment of Meal Breaks. Therefore, the proposed MOU would codify the requirements to provide a 30-minute paid meal break for 8216 Senior Parking Control Officers, when required to be on duty.

Workers Compensation Committee

The proposed MOU creates a new Workers Compensation Labor Management Committee comprised of 16 members, of which eight members would be appointed by SEIU and eight members would be appointed by the Human Resources Director. This Committee would meet quarterly and assigned employees would continue to be paid their regular salaries during the time they attend such meetings.

Grievance Procedures

The proposed MOU includes a new five percent annual interest penalty, that the City would have to pay if the City does not meet a 90-day deadline for payment of

settlement and arbitration awards. In addition, the proposed MOU adds the provision that an employee's immediate supervisor cannot act as the hearing officer in pre-disciplinary hearings, unless the hearing officer's recommendation is subject to administrative review.

Charter Amendment

Under the proposed MOU, the City agrees to jointly sponsor a Charter Amendment with SEIU for the November, 2000 ballot to provide all employees with improved retirement benefits of two percent at age 60. Most SEIU employees are Tier 2 employees, which are employees hired after November 1, 1976, and currently receive retirement benefits of 1.66 percent at age 60. Tier 1 employees are employees hired before November 1, 1996 currently receive retirement benefits of 2.0 percent at age 60. The Budget Analyst notes that a proposed Charter Amendment (File 00-0953) is currently pending in the Rules Committee of the Board of Supervisors for the November, 2000 ballot.

Comments:

1. Ms. Villagomez advises that the proposed SEIU contract does not contain any internal adjustments.

2. According to Ms. Peg Stevenson of the Controller's Office, and as shown in the Attachment, the Controller's Office estimates that the proposed MOU will cost the City an additional $29,041,102 in FY 2000-01 and a cumulative total of $181,804,259 over the three years of the MOU. The Budget Analyst concurs with the Controller's Office. Ms. Stevenson advises that the source of funds to pay for the subject increases would be the General Fund Salary and Benefits Reserve Fund, included in the proposed FY 2000-01 budget for $34,659,656 as well as other Special Fund revenue sources.

3. In summary, the proposed three-year MOU would (1) increase employee wages 14 percent at a total estimated cumulative salary cost of $77,101,082, (2) provide additional payments for employees dependent health care at an estimated cost of $2,872,579 in FY

2000-01, (3) add one additional paid floating holiday, resulting in four such floating holiday paid days off at an additional cost of $138,701 beginning in FY 2002-03, (4) enable employees to carryover unused holiday time, (5) increase night duty pay by two percent, (6) increase bilingual pay by 14 to 20 percent, (7) double standby pay on regular time and triple standby pay on holidays for Trauma Response Members, (8) add a Holdover Pay provision to provide for one and one-half times the regular rate of pay, (9) expand the Lead Person Premium to be paid to an unknown number of additional employees, (10) increase training premiums for Parking Control Officers by 43 percent, (11) provide $1.1 million for Pay Equity, (12) expand Departments' ability to hire employees above Step 1, (13) extend the Employee Assistance Program at a cost of $125,000, (14) provide Skilled Nursing Facility Pass-Through Premiums at a cost of $1.5 million in FY 1999-2000 to be paid by the State and an undetermined amount in FY 2000-01, (15) add Department of Human Services provisions, (16) upgrade the salaries of all Mental Health Rehabilitation Workers, (17) agree not to keep authorized budgeted positions vacant or initiate the reduction of budgeted positions by using volunteers, (18) provide notification of service changes which impact on employees, (19) codify PUC Housing rental rates, (20) create a Workers Compensation Committee, (21) specify additional grievance procedures, and (22) agree to jointly sponsor a November, 2000 Charter Amendment to increase retirement benefits. Overall, the Controller estimates these provisions will cost an additional $29,041,102 in FY 2000-01 and a cumulative total of $181,804,259 over the three years of the MOU.

4. As noted above, the proposed MOU would add a provision that the City will not keep authorized budgeted positions vacant nor is it the intent of City departments to initiate the reduction of the number of budgeted positions by using volunteers, CALWORKS or other similar volunteer programs. The proposed MOU would also require the City, if requested by SEIU, to meet and confer regarding reductions in the workforce that impact on the remaining workforce's working conditions. In addition, the proposed MOU

would add a specific provision requiring the Department of Public Health to provide prior notification of at least 40 working days regarding service changes which impact on SEIU members' wages, hours or working conditions. The Budget Analyst questions these provisions since they may limit or inhibit the amount of control that the Board of Supervisors would have over the annual City budget and budgeting process.

5. The Budget Analyst advises that the total estimated cost of all of the MOUs included on this Finance and Labor Committee calendar is $36,493,253 for FY 2000-01. As noted above, the Salary and Benefit Reserve Fund, included in the proposed FY 2000-01 budget currently totals $34,659,656. Ms. Stevenson advises that the General Fund Salary and Benefit Reserve Fund is intended to pay for only the City's General Fund salary, fringe benefit and related MOU costs, with the Special Fund Departments (e.g., Airport, Port, Rent Board, War Memorial, etc.) separately responsible for paying for their increased salary and fringe benefit costs. According to Ms. Stevenson, there will be sufficient funds to pay for all of the expenses related to the increased costs of these MOUs from the FY 2000-2001 General Fund Salary and Benefit Reserve Fund and other Special Fund revenues included in the City's FY 2000-01 annual budget.

Recommendation: Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

CITY AND COUNTY OF SAN FRANCISCO OFFICE OF THE CONTROLL

Edward Harrin
Contr

Matthew H. Hy
Chief Assistant Contr

June 8, 2000

Ms. Gloria L. Young, Clerk of the Board
Board of Supervisors
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

RE: Memorandum of Understanding between SEIU Locals 250, 535, and 790 and the City and County of San Francisco, File No. 00-0991

Dear Ms. Young,

In accordance with Ordinance 92-94, I am submitting a cost analysis of an amendment to the Memorandum of Understanding (MOU) between SEIU Locals 250, 535, and 790 and the City and County of San Francisco. The MOU covers the period July 1, 2000 through June 30, 2003, and affects approximately 11,082 employees with a salary base of approximately $520.6 million.

Based on our analysis, the amendment will result in estimated incremental costs of approximately $29 million in FY 2000-2001, $30.1 million in FY 2001-2002 and $34.5 million in FY 2002-2003. The amendment will result in cost increases above the base salary amounts of approximately 5.58% in FY 2000-2001, 5.43% in FY 2001-2002 and 5.97% in FY 2002-2003. Please see Attachment A for specific cost estimates.

If you have any additional questions or concerns please contact me at 554-7500 or Peg Stevenson of my staff at 554-7522.

Sincerely,

Edward M. Harrington
Controller

cc: Alice Villagomez, ERD
Harvey Rose, Budget Analyst

Attachment A
Services Employees International Union Local 790
Estimated Costs 2000-2001 to 2003
Controller's Office

Annual Incremental Costs/(Savings)	FY 2000-2001	FY2001-2002	FY2002-2003
Wage Increase			
3.00% on July 1, 2000 and 2.5% January 1, 2001	$22,124,567		
2.00% on July 1, 2001 and 3.00% January 2002		26,106,013	
3.50% on January 1, 2003			28,870,502
Internal Adjustments and Step Ajustments	95,146		
Additional Floating Holiday			138,701
Premium Pay Changes	308,502		
Protective Service Workers Licensing	15,000		
Dependent Health @ 75% of Kaiser coverage	2,872,579		
Pay Equity	200,000		900,000
Wage-Related Fringe Increases	3,425,309	3,999,441	4,560,841
Total Estimated Incremental Costs	29,041,102	30,105,454	34,470,044
Annual Amount Above 1999-2000 Level	29,041,102	59,146,556	93,616,600
Cumulative Total Above 1999-2000 Provisions			$181,804,259
Incremental Cost % of Salary Base	5.58%	5.48%	5.97%

Item 9 - File 00-1013

Department: Department of Human Resources (DHR)

Item: Ordinance implementing the provisions of a Memorandum of Understanding between the California Association of Interns and Residents and the City and County of San Francisco for the period from July 1, 2000 through June 30, 2003.

Description: The proposed Memorandum of Understanding (MOU) between the California Association of Interns and Residents (CAIR) and the City and County of San Francisco is the successor agreement to the prior MOU which was first negotiated in FY 1990-1991, was extended three times, and will expire on June 30, 2000. This proposed three-year MOU, which is effective from July 1, 2000 through June 30, 2003, covers the following six classifications, comprising a total of 197 employees as follows:

2273 Post M.D. I
2275 Post M.D. II
2277 Post M.D. III
2279 Post M.D. IV
2281 Post M.D. V
2283 Post M.D. VI

The major changes of the new subject MOU from the prior MOU would include the following:

Wage Increases: The proposed MOU would provide wage increases, totaling 14 percent over the three-year period of the MOU, to all covered employees based on the following schedule:

Date	Percent Wage Increase
July 1, 2000	3.0%
January 6, 2001	2.5%
August 4, 2001	2.0%
January 5, 2002	3.0%
August 3, 2002	3.5%

These salary increases are consistent with the increases provided in other Service Employees International Union

(SEIU) MOUs. The increases in July of 2001 and July of 2002 are delayed by two pay periods to fund the Patient Care Fund explained below.

Patient Care Fund: The proposed MOU establishes a new special fund at San Francisco General Hospital (SFGH) for the purchase of needed medical equipment, patient materials or educational supplies for employees covered by the MOU necessary to improve patient care at SFGH. Under the proposed MOU, SFGH agrees to contribute to the Patient Care Fund the following amounts:

FY 2000-2001	$10,000
FY 2001-2002	43,000
FY 2002-2003	68,000
Total	$121,000

Medical License Expense Reimbursement: Under the proposed MOU, the City would provide partial reimbursement for the fee for the initial application and medical license required by the State of California, which was not previously provided, as follows: 25 percent reimbursement to residents who spend three to six months or rotations[1] at SFGH in their second year; 50 percent reimbursement to residents who spend six or more months or rotations at SFGH in their second year. Non-qualifying residents may receive partial reimbursement if they can verify that they will average three or more months or rotations at SFGH during their second and third year as follows: 25 percent reimbursement for three to six months or rotations; 50 percent for six or more months or rotations. According to Ms. Alice Villagomez of HRD, employees covered by the proposed MOU would be eligible for the medical license expense reimbursement on a one-time basis.

Meals: In the prior MOU, the City and Department provided interns and residents with meal cards which could be used for breakfast and dinner. In the proposed MOU the meal cards could also be used for lunch.

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[1] "Rotation" refers to the time period that interns and residents are assigned to San Francisco General Hospital. The interns and residents who are covered by this proposed MOU are employees of the University of California at San Francisco, and are only considered to be employees of the City, and are only covered by the proposed MOU, for the time period (rotation) for which they are assigned to SFGH.

Parking: In practice, the City has provided 26 parking spaces in Emergency Lot B for interns and residents who are on call at SFGH. The proposed MOU codifies this practice. In addition, SFGH will provide 13 placards for use in the Emergency Lot B for intern and resident use only between the hours of 6 p.m. and 8 a.m.

Comment:

1. The above described provisions of the proposed MOU relate to the major financial changes from the prior MOU. Other provisions in the new subject MOU include establishment of a grievance procedure, including binding arbitration, and a health and safety training program.

2. According to Ms. Villagomez, whether and to what extent the University of California or the City and County of San Francisco controls the terms and conditions of interns' and residents' employment has been a subject of long dispute and recurrent litigation. Ms. Villagomez states that the City and the Union entered into a settlement agreement in 1990 that permits the City and the Union to negotiate over local area conditions but not over wages, benefits, vacation, hours scheduling, or supervision, hiring, selection, assignment and discipline of residents. Ms. Villagomez states that under the proposed MOU the City has provided wages to the interns and residents which are the same as those provided in other SEIU MOUs. In October of 1999, prior to negotiation of the proposed MOU, the State Public Employment Relations Board (PERB) granted interns and residents collective bargaining rights with the University of California except when the residents are working at SFGH and other non-University owned facilities. According to Ms. Villagomez, it is unclear to what degree these collective bargaining rights impact the City's and the Union's rights to negotiate local area conditions and other terms of employment under the 1990 settlement agreement. However, according to Ms. Villagomez, the City does not expect further dispute regarding the City's collective bargaining rights with the interns and residents.

3. According to Ms. Peg Stevenson of the Controller's Office, and as shown in the Attachment, the Controller's Office estimates that the proposed MOU will cost the City an additional $396,595 in FY 2000-01 and a cumulative total of

$2,580,325 over the three years of the MOU. The Budget Analyst concurs with the Controller's Office. Ms. Stevenson advises that the source of funds to pay for the subject increases would be the General Fund Salary and Benefits Reserve Fund, included in the proposed FY 2000-01 budget for $34,659,656 as well as other Special Fund revenue sources.

4. The Budget Analyst advises that the total estimated cost of all of the MOUs included on this Finance and Labor Committee calendar is $36,493,253 for FY 2000-01. As noted above, the Salary and Benefit Reserve Fund, included in the proposed FY 2000-01 budget currently totals $34,659,656. Ms. Stevenson advises that the General Fund Salary and Benefit Reserve Fund is intended to pay for only the City's General Fund salary, fringe benefit and related MOU costs, with the Special Fund Departments (e.g., Airport, Port, Rent Board, War Memorial, etc.) separately responsible for paying for their increased salary and fringe benefit costs. According to Ms. Stevenson, there will be sufficient funds to pay for all of the expenses related to the increased costs of these MOUs from the FY 2000-2001 General Fund Salary and Benefit Reserve Fund and other Special Fund revenues included in the City's FY 2000-01 annual budget.

Recommendation: Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

CITY AND COUNTY OF SAN FRANCISCO OFFICE OF THE CONTROLLER

Edward Harrington
Controller

Matthew H. Hymel
Chief Assistant Controller

June 8, 2000

Ms. Gloria L. Young, Clerk of the Board
Board of Supervisors
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

RE: Memorandum of Understanding between the California Association of Interns and Residents/Committee of Interns and Residents SEIU and the City and County of San Francisco, File No. 00-1013

Dear Ms. Young,

In accordance with Ordinance 92-94, I am submitting a cost analysis of an amendment to the Memorandum of Understanding (MOU) between the California Association of Interns and Residents/Committee of Interns and Residents SEIU, and the City and County of San Francisco. The MOU covers the period July 1, 2000 through June 30, 2003, and affects approximately 204 employees with a salary base of approximately $8.1 million.

Based on our analysis, the amendment will result in estimated incremental costs of approximately $397,000 in FY 2000-2001, $455,000 in FY 2001-2002 and $480,000 in FY 2002-2003. Including wage-related fringe benefits, the amendment will result in a cost increase above the base salary amount of approximately 4.89% in FY 2000-2001, 5.32% in FY 2001-2002 and 5.35% in FY 2002-2003. Please see Attachment A for specific cost estimates.

If you have any additional questions or concerns please contact me at 554-7500 or Peg Stevenson of my staff at 554-7512.

Sincerely,

Edward M. Harrington
Controller

cc: Alice Villagomez, ERD
Harvey Rose, Budget Analyst

Attachment A
Interns and Residents Association
Estimated Costs 2000-2001 to 2003
Controller's Office

Annual Incremental Costs/(Savings)	FY 2000-2001	FY2001-2002	FY2002-2003
Wage Increase			
3.00% on July 1, 2000, and 2.50% on January 6, 2001	$344,366		
2.00% on August 4, 2001 and 3.00% on January 5, 2002		391,794	
3.50% on August 3, 2002			421,699
Patient Care Fund	10,000	33,000	25,000
Licensing/Application Cost Reimbursement	15,300		
Wage-Related Fringe Increases	26,929	30,638	32,977
Total Estimated Incremental Costs	396,595	455,432	479,676
Annual Amount Above 2000-2001 Level	396,595	852,027	1,331,703
Cumulative Total Above 2000-2001 Provisions			2,580,325
Incremental Cost % of Salary Base	4.89%	5.32%	5.35%

Memo to Finance and Labor Committee
June 14, 2000 Finance and Labor Committee Meeting

Item 10 - File 00-1014

Department: Department of Human Resources (DHR)

Item: Ordinance adopting and implementing the provisions of a Memorandum of Understanding between the Teamsters Local 856 and the City and County of San Francisco for Supervising Nurses to be effective for the period from July 1, 2000, through June 30, 2003.

Description: The proposed Memorandum of Understanding (MOU) between the Teamsters Local 856 and the City and County of San Francisco is the successor agreement to the existing MOU which expires on June 30, 2003. The proposed three-year MOU would be effective for the period from July 1, 2000, through June 30, 2003 and covers the following four classifications, comprising a total of 130 employees.

2322 Nurse Manager
2324 Nursing Supervisor
2326 Nursing Supervisor, Psychiatric Unit
2350 Instructor of Nursing

The major changes of the new subject MOU from the prior MOU include the following:

Wage Increases: The proposed MOU would provide wage increases, totaling 15 percent over the three-year period of the MOU, to all covered employees based on the following schedule:

Date	Percent Wage Increase
July 1, 2000	3.0%
January 6, 2001	2.5%
July 1, 2001	3.0%
January 5, 2002	2.0%
July 1, 2002	2.5%
January 4, 2003	2.0%

Internal Adjustment: Class 2324 Nursing Supervisor with a Master's Degree would receive the same salary as Class 2326 Nursing Supervisor, Psychiatric with a Master's Degree, which represents an approximate 3 percent base salary increase for approximately 6 to 10 employees, in addition to the scheduled wage increase noted above. As noted in Attachment I, provided by DHR, the Department is considering consolidation of these two positions into one position, and the purpose of this adjustment is to provide nurses in Class 2324 who have a Master's Degree the same level of compensation as nurses in Class 2326 who have a Master's Degree.

Longevity Premium and Retention Bonus: Presently, the longevity premium provides a fixed rate longevity premium of $0.36 per hour (approximately one percent of base salary) in addition to the base hourly wage rate for employees who have 10 or more years continuous full-time or part-time service in any registered nurse classification and of $0.61 per hour (approximately 1.5 percent of base salary) for employees who have 15 or more years continuous full-time or part-time service in any registered nurse classification. In the proposed MOU the longevity premium would sunset on June 30, 2001, and be replaced with a retention bonus effective July 1, 2001. The retention bonus provides employees, with 10 or more years continuous full-time or part-time service in any registered nurse classification, a wage increase equal to one percent per hour of the base hourly rate, and employees with 15 or more years continuous full-time or part-time service a wage increase of two percent per hour of the base hourly rate. Approximately 77 employees would be eligible to receive the retention bonus.

Longevity Leave: The proposed MOU would provide seven days of longevity leave for employees who have 15 years or more of continuous service, which is an increase of one day. The prior MOU provided a maximum of six days of longevity leave for employees who have 10 years or more of continuous service. Approximately 85 employees would be eligible to receive the one additional day of longevity leave.

New Premiums: The proposed MOU would provide a $75 biweekly premium to employees who are responsible for 24-hour clinical unit operations which was not previously

provided. Also, the proposed MOU would provide Lead Manager Pay equal to an additional 5 percent per hour above the base salary rate for employees who perform specific leadership and employee management responsibilities which was not previously provided. Approximately 3 to 5 employees would be immediately eligible for Lead Manager Pay.

Other Economic Improvements: The proposed MOU would (a) increase the uniform allowance for each eligible employee from $175 to $225 per year, (b) increase the tuition reimbursement allocation from $500 to $1,000 per year and would include books, (c) reimburse for professional licensing dues, equal to approximately $80 every two years, (d) provide holiday pay equal to time and one-half the regular rate of hourly pay for as-needed employees who work on Thanksgiving, Christmas, or New Year's Day, and (e) increase the City's contribution for dental benefits per employee in FY 2002-2003 by $5.00 per month or $60.00 per year, from the present contribution of $68.40 per month or $820.80 per year to $73.40 per month or $880.80 per year, a 7.3 percent increase.

Comments:

1. The above described provisions of the proposed MOU relate to the major financial changes from the prior MOU. Other provisions in the subject MOU include (a) a new grievance procedure which allows employees to grieve disciplinary suspension and disciplinary discharge and revises timelines and definitions to be consistent with other agreements, (b) establishment of a Joint Labor-Management Committee to address the need for adequate clinical supervision to ensure safe working conditions and quality patient care, and (c) provision for Human Resources and Management training to enhance employees' supervisory skill base.

2. In addition, the proposed MOU contains language which clarifies that the employees would receive evening or night shift differential pay only for hours actually worked. Approximately 15 employees who currently receive evening or night shift differential pay for all paid hours, not just hours actually worked, would be grandfathered in and would continue to receive the differential pay for all paid hours. The proposed MOU language would result in a cost savings

to the City for all new employees who would receive the evening or night shift differential for only the hours actually worked.

Additionally, the proposed MOU would codify the existing standard of practice of one-year probationary period for all permanent appointees, as provided by the Rules of the Civil Service Commission.

3. The MOU provides for replacing the existing longevity premium, which is a fixed rate of $0.36 per hour after 10 years of service and $0.61 per hour after 15 years of service, with a retention bonus, which is a percentage of the base hourly wage rate equal to one percent of pay after 10 years of service and two percent of pay after 15 years of service, effective July 1, 2001. The Budget Analyst notes that replacing the fixed rate longevity premium with a retention bonus of one or two percent of base pay results in an increase at an accelerating rate, since such premiums will now be based on a percentage of salary rather than a fixed amount.

4. According to Ms. Peg Stevenson of the Controller's Office, and as shown in the Attachment, the Controller's Office estimates that the proposed MOU will cost the City an additional $759,630 in FY 2000-01 and a cumulative total of $4,972,976 over the three years of the MOU. The Budget Analyst concurs with the Controller's Office. Ms. Stevenson advises that the source of funds to pay for the subject increases would be the General Fund Salary and Benefits Reserve Fund, included in the proposed FY 2000-01 budget for $34,659,656 as well as other Special Fund revenue sources.

5. The Budget Analyst advises that the total estimated cost of all of the MOUs included on this Finance and Labor Committee calendar is $36,493,253 for FY 2000-01. As noted above, the Salary and Benefit Reserve Fund, included in the proposed FY 2000-01 budget currently totals $34,659,656. Ms. Stevenson advises that the General Fund Salary and Benefit Reserve Fund is intended to pay for only the City's General Fund salary, fringe benefit and related MOU costs, with the Special Fund Departments (e.g., Airport, Port, Rent Board, War Memorial, etc.) separately responsible for paying for their increased salary and fringe benefit costs. According

to Ms. Stevenson, there will be sufficient funds to pay for all of the expenses related to the increased costs of these MOUs from the FY 2000-2001 General Fund Salary and Benefit Reserve Fund and other Special Fund revenues included in the City's FY 2000-01 annual budget.

Recommendation: Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

Attachment

City and County of San Francisco

Department of Human Resourc

ANDREA R. GOURDINE
HUMAN RESOURCES DIRECTOR

MEMORANDUM

TO: Harvey Rose, Budget Analyst

FROM: Alice Villagomez, Deputy Director, ERD
Department of Human Resources

DATE: June 7, 2000

RE: **Memorandum of Understanding between the Freight Checkers, Clerical Employees & Helpers, Local 856 (Supervising Registered Nurses) and the City and County of San Francisco**
July 1, 2000 through June 30, 2003

Salary Adjustment for Class 2324 Nurse Supervisor

There are two classifications that are essentially identical: 2324 Nurse Supervisor, and 2326 Nurse Supervisor, Psychiatric. The department is considering consolidating the two in the future. Currently the only difference between the classes is where they are assigned. However, the 2326 has always had additional compensation for those in the class who have a Master's degree. The adjustment of the 2324 salary to provide additional compensation for those with a Master's degree acknowledges that these employees should receive the same pay as their 2326 counterparts.

cc: Peg Stevenson, Controller's Office
Severin Campbell, Budget Analyst
Emily Prescott, ERD
File

CITY AND COUNTY OF SAN FRANCISCO OFFICE OF THE CONTROLLER

Edward Harrington
Controller

Matthew H. Hymel
Chief Assistant Controller

June 8, 2000

Ms. Gloria L. Young, Clerk of the Board
Board of Supervisors
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

RE: Memorandum of Understanding between the Supervising Registered Nurses Local 856 and the City and County of San Francisco, File No. 00-1014

Dear Ms. Young,

In accordance with Ordinance 92-94, I am submitting a cost analysis of an amendment to the Memorandum of Understanding (MOU) between the Supervising Registered Nurses and the City and County of San Francisco. The MOU covers the period July 1, 2000 through June 30, 2003, and affects approximately 153 employees with a salary base of approximately $13.7 million.

Based on our analysis, the amendment will result in estimated incremental costs of approximately $760,000 in FY 2000-2001, $926,000 in FY 2001-2002 and $812,000 in FY 2002-2003. The amendment will result in cost increases above the base salary amounts of approximately 5.53% in FY 2000-2001, 6.39% in FY 2001-2002 and 5.33% in FY 2002-2003. Please see Attachment A for specific cost estimates.

If you have any additional questions or concerns please contact me at 554-7500 or Peg Stevenson of my staff at 554-7522.

Sincerely,

Edward M. Harrington
Controller

cc: Alice Villagomez, ERD
Harvey Rose, Budget Analyst

Attachment A
Supervising Nurses Local 856
Estimated Costs 2000-2001 to 2003
Controller's Office

Annual Incremental Costs/(Savings)	FY 2000-2001	FY2001-2002	FY2002-2003
Wage Increase			
3.00% on July 1, 2000 and 2.50% on January 6, 2001	$583,301		
3.00% on July 1, 2001 and 2.00% on January 5, 2002		760,719	
2.50% on July 1, 2002 and 2.00% on January 1, 2003			685,038
Adjustment Master's Degree Holders Class 2324	22,560		
Changes in Longetivity/Retention Pay		48,842	6,584
Premium Pay Changes	17,941		
Longetivity Leave	29,240		
Uniform Allowance and Professional Licensing	13,770		8,120
Dental Benefits Increase			9,180
Wage-Related Fringe Increases	92,818	116,542	104,948
Total Estimated Incremental Costs	759,630	926,104	811,880
Annual Amount Above 2000-2001 Level	759,630	1,685,733	2,497,613
Cumulative Total Above 2000-2001 Provisions			4,942,976
Incremental Cost % of Salary Base	5.53%	6.39%	5.33%

Item 11 - File 00-1016

Department: Department of Human Resources

Item: Ordinance adopting and implementing the terms of a Memorandum of Understanding between the Service Employees International Union, Local 790, AFL-CIO and the City and County of San Francisco for Staff Nurses and Per Diem Nurses, to be effective for the period from July 1, 2000 through June 30, 2003.

Description: The proposed Memorandum of Understanding (MOU) between Service Employees International Union (SEIU) Local 790 and the City and County of San Francisco is the successor agreement to the existing MOU which expires on June 30, 2000. The proposed three year MOU, which is effective from July 1, 2000 through June 30, 2003, covers the following 7 classifications, comprising a total of 1,284 employees:

2320 Registered Nurse
2323 Clinical Nurse Specialist
2330 Anesthetist
2340 Operating Room Nurse
2830 Public Health Nurse
2328 Nurse Practitioner
P103 Per Diem Registered Nurse

The major changes of the new subject MOU from the prior MOU include the following:

Wage Increases: The proposed MOU would provide wage increases, totaling 15 percent over the three-year period of the MOU, to all covered employees based as follows:

Date	Percent Wage Increase
July 1, 2000	3.0%
January 6, 2001	2.5%
July 1, 2001	3.0%
January 5, 2002	2.0%
July 1, 2002	2.5%
January 4, 2003	2.0%

Class 2328 Nurse Practitioners would receive an additional 2 percent pay increase on July 1, 2000 and another 3 percent pay increase on July 1, 2001.

Internal Adjustment: Class 2830 Public Health Nurse would receive the same salary as Class 2320 Registered Nurse. According to Ms. Alice Villagomez of DHR, Class 2830 Public Health Nurse was adjusted downward to the salary level of Class 2320 Registered Nurse in 1997. Under the proposed MOU, Class 2830 Public Health Nurse would include a seventh salary step, which will be $2.225 per hour more than Step 6 of Class 2320 Registered Nurse. Class 2830 Public Health Nurses are eligible to advance to Step 7 after one year of service at Step 6. Attachment I, provided by DHR, further explains the internal adjustment.

Longevity Premium and Retention Bonus: The longevity premium in the existing MOU provides for a fixed rate of $0.30 per hour in addition to the base hourly wage rate for employees who have 10 or more years full-time or part-time permanent service in the same registered nurse classification. In the proposed MOU the longevity premium would be changed from the fixed rate of $0.30 per hour to a percentage rate of one percent of the base hourly rate for the affected employees. The longevity premium would sunset on June 30, 2001, and be replaced with a retention bonus effective July 1, 2001. The retention bonus, which does not apply to Per Diem Nurses, provides employees with 5 or more years full-time or part-time service in any registered nurse classification a wage increase equal to one percent per hour of the base hourly rate, and employees with 10 or more years of service a wage increase of two percent of the base hourly rate.

Charge Nurse Pay: The proposed MOU would change Charge Nurse Pay from a fixed rate of $1.20 per hour to a percentage rate equal to 5 percent of the base hourly rate of pay.

Double Ward Assignment Pay: Premium pay for Nurses who are assigned to work concurrently in more than one ward per shift at Laguna Honda Hospital would change from the current fixed rate of $2.40 per hour to a percentage rate equal to 7.5 percent of the base hourly rate.

Interpreter-Translator Pay: Under the proposed MOU interpreter-translator pay would increase from $17.50 per week to $25 per week

Tuition Reimbursement: The Registered Nurse tuition Reimbursement fund allocation would increase from $60,000 to $100,000 per fiscal year and the maximum tuition reimbursement allocation for each Nurse would increase from $500 to $1,000 per fiscal year.

Uniform Allowance: Under the proposed MOU the uniform allowance for Nurses (excluding Per Diem Nurses) would increase from $175 to $225 per year. Allowances for smocks and lab coats would increase from $100 to $175 per year.

Holiday Pay for Per Diem Nurses: Under the proposed MOU Per Diem Nurses would receive pay at time and one-half for working on Thanksgiving Day, Christmas Day, or New Year's Day. According to Ms. Alice Villagomez of DHR, Per Diem Nurses do not currently receive time and one-half for working on these three holidays.

Acting Assignment Pay: Previously, this provision applied only to Class 2320 Registered Nurse who were temporarily assigned to perform the duties of Class 2322 Head Nurse. Under the proposed MOU a Nurse temporarily assigned to perform the duties of any higher classification would be eligible for acting assignment pay.

Health at Home On-Call Premium: Under the proposed MOU, Health at Home Nurses who are assigned to be on-call between the hours of 5 p.m. to 8 a.m. will receive 3 hours of pay at the Per Diem rate of pay for each on-call shift assignment. If the Nurse is required to make a patient visit during the on-call shift, the Nurse is paid at the rate of time and one-half for the period of actual work. According to Ms. Villagomez, this provision codifies the on-call practice currently in place.

Reimbursement for Use of Personal Cell Phones: Nurses who use personal cell phones for City business will be reimbursed for incurred expenses, for which they are not reimbursed under the existing MOU.

Skilled Nursing Facility "Pass Through" Premium: Pursuant to the provisions of State Welfare and Institutions Code Section 14110.6, the State of California provides pass-through funds to the City for compensating health care employees who are assigned to skilled nursing facilities. As a result of the pass-through funds, Nurses assigned to skilled nursing facilities (such as Laguna Honda Hospital) would receive an additional pay premium (Files 00-0990 and 00-0991). The proposed MOU provides for a reopener to the MOU to determine the rate of this premium.

Comments:

1. The above described provisions of the subject MOU relate to the major financial changes from the prior MOU. Other provisions in the subject MOU include: (a) changes to the grievance procedure, including expanded categories of grievances which may be processed through an expedited arbitration process, and strengthening of grievance timelines; (b) disciplinary hearing rights for Per Diem Nurses and the right for Per Diem Nurses who have more than 1,040 hours of service to appeal terminations, (c) changes to staffing guidelines to reflect current staffing patterns; (d) transfer of dental insurance coverage from the Health Care Employers/Employees Dental Trust to the City's Health Services System; (e) granting the City the ability to appoint into permanent positions above the entry level salary step if the appointee possesses special qualifications or skills; (f) incorporation of the current Per Diem side agreement into the MOU which defines the seniority and scheduling procedures for Per Diem Nurses; (g) provision that permanent appointees shall serve a six-month probationary period; (h) provision that it is the Department's intent to avoid the use of mandatory overtime; (i) provision for training and procedures to promote health and safety and protection from blood borne pathogen exposure; (j) provision that Nurses assigned to Forensic Services who lose their jail security clearance for a non-terminable offense will be reassigned to another position; (k) provision that a Nurse may be placed on a developmental plan when there is a documented departure from standards of competence; (l) parking spaces for Nurse-Responders in Sexual Assault cases in the SFGH Emergency Department parking lot; and (m) provision that Nurses assigned to jury duty or subpoenaed to be a courtroom witness will not be required to work an evening or night shift immediately after jury duty.

2. As stated previously, the fixed rate longevity premium of $0.30 per hour will change to a percentage rate equal to 1 percent of the base hourly rate. The retention bonus, which will become effective July 1, 2001 when the longevity premium sunsets, will be a percentage rate equal to 1 percent of the base hourly rate for Nurses with 5 or more years of service and 2 percent of the base hourly rate for Nurses with 10 or more years of service. Additionally, the Charge Nurse premium will change from the fixed rate of $1.20 per hour to a percentage rate of 5 percent of the Nurse's base hourly rate of pay and the Double Ward Assignment premium will change from the fixed rate of $2.40 per hour to a percentage rate of 7.5 percent of the base hourly rate of pay. The Budget Analyst notes that these premiums will result in an increase at an accelerating rate, since such premiums will now be based on a percentage of salaries rather than a fixed amount.

3. According to Ms. Peg Stevenson of the Controller's Office, and as shown in the Attachment, the Controller's Office estimates that the proposed MOU will cost the City an additional $6,131,746 in FY 2000-01 and a cumulative total of $37,360,612 over the three years of the MOU. The Budget Analyst concurs with the Controller's Office. Ms. Stevenson advises that the source of funds to pay for the subject increases would be the General Fund Salary and Benefits Reserve Fund, included in the proposed FY 2000-01 budget for $34,659,656 as well as other Special Fund revenue sources.

4. The Budget Analyst advises that the total estimated cost of all of the MOUs included on this Finance and Labor Committee calendar is $36,493,253 for FY 2000-01. As noted above, the Salary and Benefit Reserve Fund, included in the proposed FY 2000-01 budget currently totals $34,659,656. Ms. Stevenson advises that the General Fund Salary and Benefit Reserve Fund is intended to pay for only the City's General Fund salary, fringe benefit and related MOU costs, with the Special Fund Departments (e.g., Airport, Port, Rent Board, War Memorial, etc.) separately responsible for paying for their increased salary and fringe benefit costs. According to Ms. Stevenson, there will be sufficient funds to pay for all of the expenses related to the increased costs of these MOUs

from the FY 2000-2001 General Fund Salary and Benefit Reserve Fund and other Special Fund revenues included in te City's FY 2000-01 annual budget.

Recommendation: Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

City and County of San Francisco

Department of Human Resources

ANDREA R. GOURDINE
HUMAN RESOURCES DIRECTOR

June 7, 2000

TO: Harvey Rose, Budget Analyst
Board of Supervisors

FROM: Alice Villagomez, Deputy Director
Employee Relations Division

RE: **Memorandum of Understanding between the Service Employees International Union Local 790 Staff and Per Diem Nurses and the City and County of San Francisco, July 1, 2000 through June 30, 2003 Class 2830 Public Health Nurses (Paragraph 248)**

Background

In fiscal year 1980-1981 a $2.225 difference existed between the top steps of Class 2830 Public Health Nurse and 2320 Registered Nurse.

Effective July 1, 1997, 4 new salary steps were added to the bottom of the Class 2830 Public Health Nurse salary range to correspond with the Steps 1-4 of the Class 2320 Registered Nurse range. Steps 1 and 2 of 2830 were revised to correspond with Steps 5 and 6 of 2320, while steps 3-6 of 2830 remained unchanged. The net effect was that the first six steps of the Class 2830 range corresponded to the six steps of Class 2320, and Steps 7-10 of Class 2830 were the "old Steps 3-6."

The negotiated increases for 1997-2000, applicable to class 2320, only applied to the first six steps of 2830 so that the first 6 steps of both classes remained identical. The top four steps of 2830 received no increases, with the intent that over time, the top 4 steps would be eliminated once the hourly difference between any two steps became less than $.25 per hour.

2000-2003 MOU Negotiated Change

For the 2000-2003 MOU, the parties have agreed to restore the historical $2.225 difference between the existing top steps of classes 2830 and 2320. The parties accomplished this by keeping steps 1-6 of both classes identical and adding a new Step 7 to Class 2830 Public Health Nurse, which is $2.225 higher than Step 6 of Class 2320 Registered Nurse. This new Step 7 replaces the former Steps 7-9 of the Class 2830 range.

Cc: Severin Campbell
File

CITY AND COUNTY OF SAN FRANCISCO OFFICE OF THE CONTROLL

Edward Harrin
Contr

Matthew H. H
Chief Assistant Contr

June 8, 2000

Ms. Gloria L. Young, Clerk of the Board
Board of Supervisors
1 Dr. Carlton B Goodlett Place
San Francisco, CA 94102

RE: Memorandum of Understanding between the Staff and Per Diem Nurses, SEIU Local 790 and the City and County of San Francisco, File No. 00-1016

Dear Ms. Young,

In accordance with Ordinance 92-94, I am submitting a cost analysis of a Memorandum of Understanding (MOU) between the Staff and Per Diem Nurses, SEIU Local 790 and the City and County of San Francisco. The MOU covers the period July 1, 2000 through June 30, 2003, and affects approximately 1,421 employees with a salary base of approximately $97.3 million.

Based on our analysis, the amendment will result in estimated incremental costs of approximately $6.1 million in FY 2000-2001, $6.7 million in FY 2001-2002 and $5.6 million in FY 2002-2003. The amendment will result in cost increases above the base salary amounts of approximately 6.3% in FY 2000-2001, 6.5% in FY 2001-2002 and 5.19% in FY 2002-2003. Please see Attachment A for specific cost estimates.

If you have any additional questions or concerns please contact me at 554-7500 or Peg Stevenson of my staff at 554-7522.

Sincerely,

Edward M. Harrington
Controller

cc: Alice Villagomez, ERD
Harvey Rose, Budget Analyst

Attachment A
Staff and Per Diem Nurses Local 790
Estimated Costs 2000-2001 to 2003
Controller's Office

Annual Incremental Costs/(Savings)	FY 2000-2001	FY2001-2002	FY2002-2003
Wage Increase			
3.50% on July 1, 2000 and 2.00% on January 6, 2001	$4,379,624		
3.00% on July 1, 2001 and 2.00% on January 5, 2002		5,137,299	
2.50% on July 1, 2002 and 2.00% on January 1, 2003			4,857,522
Internal Adjustments			
Nurse Practitioner 2% on July 1, 2000 and 3% on July 1, 2001	118,728	185,216	
Public Health Nurse $2.225/hour increase on July 1, 2000	427,847		
Changes in Longevity/Retention Pay	49,360	543,916	
Other Changes to Premium Pay	294,913		
Tuition Reimbursement Fund	40,000		
Uniform Allowance	66,580		
Wage-Related Fringe Increases	754,894	815,409	744,172
Total Estimated Incremental Costs	6,131,746	6,681,840	5,601,694
Annual Amount Above 2000-2001 Level	6,131,746	12,813,586	18,415,280
Cumulative Total Above 2000-2001 Provisions			37,360,612
Incremental Cost % of Salary Base	6.30%	6.50%	5.19%

Memo to Finance and Labor Committee
June 14, 2000 Finance and Labor Committee Meeting

Item 12 - File 00-1058

Department: Public Library

Item: Resolution determining and declaring that the public interest and necessity demand municipal improvements consisting of the acquisition, rehabilitation, renovation, improvement, construction or reconstruction by the City and County of San Francisco of Library Facilities and Properties other than the Main Library, and all other works, property and structures necessary or convenient for the foregoing purposes, that the estimated cost of $129,245,000 for said municipal improvements is and will be too great to be paid out of the ordinary annual income and revenue of said City and County and will require the incurring of a bonded indebtedness; finding the proposed project is in conformity with the priority policies of Planning Code Section 101.1(b) and with the General Plan consistency requirement of Administrative Code Section 2A.53.

Description: The State General Obligation Bond Law requires that, in order for the City to issue General Obligation Bonds, a resolution of public interest and necessity must first be adopted by a two-thirds vote of the Board of Supervisors and the proposed bonds must then be approved by two-thirds of the electorate. If the proposed resolution (determining and declaring that public interest and necessity justify the proposed bonds) is approved by a two-thirds vote of the Board of Supervisors, the proposed General Obligation Bond measure would be scheduled for a vote by the San Francisco electorate for the General Election in November of 2000.

The proposed $129,245,000 General Obligation Bond Measure for the Public Library would be used for the acquisition, rehabilitation, renovation, improvement, construction, or reconstruction of 24 Branch Libraries, Brooks Hall and a System-wide Support Center. The proposed resolution specifically states that this $129,245,000 cost is too

much to be paid from the ordinary annual income and revenue of the City and will require an expenditure greater than the amount allowed by the annual tax levy and would therefore require the incurring of the proposed bonded indebtedness for the $129,245,000.

Attachment 1, prepared by Mr. George Nichols of the Public Library, summarizes the improvements and construction work to be undertaken by the Library.

Budget:

Attachment 2 identifies a total Program Cost of $128,550,000, separated by Branch and specific improvements and construction work to be performed. As shown in Attachment 3, in addition to the estimated Project Cost of $128,550,000, the Public Library estimates bond underwriting, issuance and additional proceed costs of $3,095,000, for a total cost of $131,645,000. As shown in Attachment 3, the Public Library is requesting the subject $129,245,000 of General Obligation Bond since the Library has $2,400,000 of Bond Proceeds remaining from its previous General Obligation Bonds (ESP2).

Comments:

1. On June 9, 2000, the Capital Improvement Advisory Committee (CIAC) will consider the proposed General Obligation Bond measure.

2. According to Mr. Nichols, the Library Foundation has agreed to raise $15 million of private funds for furniture, fixtures and equipment if the proposed General Obligation Bond Measure is approved.

3. According to Ms. Nadia Sesay of the Mayor's Office of Public Finance, assuming the bonds are issued in an interest rate environment that reflects current market conditions, the proposed bonds would bear an average interest cost of approximately 7.9 percent over the life of the project. Ms. Sesay reports that it is anticipated that there would be seven separate bond issuances over the course of the Public Library project for the total

amount of $129,245,000, between 2001 and 2008. Each of the bonds would have a 20-year life. Upon issuance of the entire $129,245,000, the average annual debt service would be approximately $11,986,340 and the total debt service would be $234,632,713 over the life of the seven separate bond issuances, based on an estimated average interest rate of 7.9 percent.

4. The City's Charter provides for a legal debt limit of three percent of net assessed property value. Ms. Sesay advises that the City's current Debt Limit Ratio is as follows:

Total Debt Limit for FY 1999-2000	$2,114,446,916
Estimated Outstanding General Obligation Bonds as of June 1, 2000	902,300,000
Remaining Debt Capacity	$1,212,146,916

In addition, as shown on Attachment 4, the City has authorized, but not yet issued, an additional $1,007,990,000 of General Obligation Debt. However, the Mayor's Office of Finance advises that the amount of debt that is issued in any given year is both determined by the needs of the specific project as well as a function of the level of payments on existing debt, which fluctuates as older bond issues are retired and new bonds are issued.

5. Section 3 of the proposed resolution states that the Board of Supervisors finds and declares that the proposed project is (1) in conformity with the priority policies of Section 101.1(b) of the City Planning Code and (2) in accordance with Section 2A.53(f) of the City Administrative Code, that the proposed project is consistent with the City's General Plan and adopts the findings of the City Planning Department as set forth in the General Plan Referral Report, which is undated. The General Plan Referral Report was issued by the Department of City Planning on May 26, 2000. Section 3 of the proposed resolution should be amended to include this date of May 26, 2000 for the General Plan Referral Report. This report

indicates that although the proposed Public Library Improvement Bond Report is, on balance, in conformity with the General Plan, since the proposed Library Bond Program involves land acquisition, changes in land use and construction of new buildings, such projects will require separate findings of consistency with the City's General Plan.

6. According to Ms. Ann Carey of the Controller's Office, once the $129,245,000 in General Obligation Public Library bonds are issued, these bonds would result in an increase in the Property Tax Rate of approximately $0.017199 per $100 of assessed value. At this rate, the owner of a single-family residence assessed at $400,000, assuming the $7,000 homeowner's exemption, would pay an average of approximately $67.59 in additional annual Property Taxes.

7. If the proposed resolution of public interest and necessity is approved, the Board of Supervisors would be required to approve a separate ordinance placing this General Obligation Bond Measure on the November, 2000 ballot. If the electorate approves the proposed General Obligation Bonds, the subsequent issuance and sale of such bonds would also require approval by the Board of Supervisors. Furthermore, expenditure of any of the proceeds of the proposed General Obligation Bonds by the Public Library would require appropriation approval by the Board of Supervisors.

Recommendations:

1. Amend Section 3 of the proposed resolution to include the date of May 26, 2000 for the General Plan Referral Report, in accordance with Comment No. 5 above.

2. Approval of the proposed resolution, as amended, is a policy matter for the Board of Supervisors.

Memo to Finance and Labor Committee
June 14, 2000 Finance and Labor Committee Meeting

Harvey M. Rose

Supervisor Yee
Supervisor Bierman
President Ammiano
Clerk of the Board
Controller
Steve Kawa

The Public Library seeks approval of a $129.245 million general obligation bond for the rehabilitation of nineteen (19) branch library buildings, acquisition of property and construction of five (5) new branch library buildings, acquisition of property and construction of a system-wide support center, and tenant improvements to Brooks Hall.

The bond program would bring San Francisco's branch library system into the 21st century. It will provide the public with seismically safe, accessible, code compliant branch libraries in every neighborhood of San Francisco. This bond program would provide funds to:

1) Rehabilitate and modernize nineteen aging branch library facilities ($81,680,000). Included among this work are:

   a) Seismic retrofit of fifteen (15) branch facilities that have a seismic hazard rating (SHR) of 3 or 4. Three of the fifteen branch libraries have a SHR of 4.
   b) Improving disabled access – making facilities compliant with the Americans with Disabilities Act (ADA).
   c) Hazardous materials mitigation.
   d) Modernizing and upgrading building systems – telecommunications, HVAC, electrical, and plumbing.
   e) Reconfiguring floor space and in some cases expanding space to facilitate public programs and services; or to make up for space that is lost to bring a building into conformance with ADA.
   f) Bringing facilities up to current building codes.

2) Acquiring land and constructing buildings for four (4) branch libraries currently housed in leased facilities ($20,160,000).

3) Acquiring land and constructing a new branch library to serve the Mission Bay neighborhood ($6,880,000).

4) Constructing a system-wide support center. The center would house non-public service functions primarily materials processing for the library system and free up space in the Main Library for public use and the materials collection ($14,830,000).

5) Rehabilitating Brooks Hall for use by the Library ($5,000,000).

This bond program seeks to improve the safety, accessibility and functionality of these buildings. The branch library system serves every neighborhood and community in the City and County of San Francisco. The Library's programs and services are among the most popular services offered by the City. Branch libraries fulfill the communities' need and desire for access to information and resources for educational, occupational, or recreational purposes. With the advent of the digital age it has become vitally important that the library system provide buildings that can facilitate access to the internet and to other electronic resources and promote learning and the development of skills needed to function in an increasingly technological world. This is especially critical in under-served neighborhoods that have limited access to technology. For these communities, this bond program would help bridge the digital divide that currently exists.

The specific benefits or objectives of this bond program are to:

- Increase public safety by seismically strengthening buildings and mitigating hazardous materials that exist in many of these facilities.

- Increase accessibility by making every branch compliant with the requirements of the Americans with Disabilities Act (ADA). Most of these facilities are not fully accessible, do not have accessible restrooms or other amenities, and do not provide access to materials or services in facilities that have multiple floors.

- Improve infrastructure by upgrading buildings to current code requirements and modernizing and updating building systems such as telecommunications, HVAC, electrical, and plumbing. These improvements are needed to extend the useful life of buildings that range in age from 33 years to 86 years old.

- Improve public service by reconfiguring floor plans and interior spaces for greater flexibility, providing access to the Internet and other digital resources, and expanding public areas for materials collections, reading, computers, and other programming.

PROGRAM COSTS

Cost estimates for each project contained in the bond program were developed by the Bureau of Architecture, Department of Public Works. Costs for each project are escalated using the year 2000 as the base, at an annual rate of 4.5% annually through the mid-point of construction which ranges from 2003 to 2009. Project costs include construction, project control, site control, and temporary relocation impacts resulting from construction. In total, these costs amount to $128.55 million. Bond issuance and related fees estimated by the Office of Public Finance at $3.095 million, would have to be added to the bond program prior to determining the final bond issue amount. As estimated, this program would cost a total $131.645 million. This amount however, is offset by $2.4 million available from ESP2 bond proceeds resulting in an estimated bond issuance of $129.245 million.

SUMMARY

In summary, this program would bring library facilities and services into the 21st century. This would be accomplished by rehabilitating, modernizing, and expanding buildings that do not meet existing and growing service demands; by constructing new buildings to replace branch libraries housed in leased facilities; by building a new library in the emerging neighborhood of Mission Bay; and by constructing a system-wide support center and improvements to Brooks Hall. It is the goal of this program to facilitate the delivery of essential public programs and services in buildings that are seismically safe, functional, accessible, and code compliant. A more detailed description of this program is included in the report titled "Branch Library Improvement Program" prepared for the Library by the Department of Public Works.

ATTACHMENT B-2
Question IV B.

Attaehment 2

BOND PROGRAM COSTS (In Dollars)

Branches	Rehabilitation and Improvements	Expansion	Site Acquisition	New Building	Totals
Anza	4,160,000	880,000	-	-	$5,040,000
Bayview	3,480,000	810,000	-	-	$4,290,000
Bernal Heights	5,020,000	490,000	-	-	$5,510,000
Eureka	4,050,000	820,000	-	-	$4,870,000
Excelsior	4,930,000	-	-	-	$4,930,000
Glen Park	-	-	1,790,000	2,990,000	$4,780,000
Golden Gate	4,940,000	730,000	-	-	$5,670,000
Ingleside	-	-	1,790,000	3,120,000	$4,910,000
Marina	3,790,000	890,000	-	-	$4,680,000
Merced	3,590,000	880,000	-	-	$4,470,000
Mission Bay	-	-	3,280,000	3,600,000	$6,880,000
Noe Valley	4,230,000	660,000	-	-	$4,890,000
North Beach	3,190,000	500,000	-	-	$3,690,000
Ortega	3,300,000	760,000	-	-	$4,060,000
Park	1,410,000	-	-	-	$1,410,000
Parkside	3,080,000	-	-	-	$3,080,000
Portola	-	-	1,790,000	3,120,000	$4,910,000
Potrero	4,050,000	740,000	-	-	$4,790,000
Presidio	1,640,000	-	-	-	$1,640,000
Richmond	6,090,000	2,620,000	-	-	$8,710,000
Sunset	1,610,000	-	-	-	$1,610,000
Visitation Valley	-	-	2,110,000	3,450,000	$5,560,000
West Portal	4,310,000	370,000	-	-	$4,680,000
Western Addition	3,660,000	-	-	-	$3,660,000
System-wide Support Center	-	-	5,250,000	9,580,000	$14,830,000
Brooks Hall	5,000,000	-	-	-	$5,000,000
Total Program	$75,530,000	$11,150,000	$16,010,000	$25,860,000	$128,550,000

ATTACHMENT A

Question IV A.

Sources and Uses of Project Funds

Sources of Project Funds	
Cash from reserves, dedicated funds, etc.	
Federal, State monies/Grants/Programs	
Public Contributions	
Bond proceeds – ESP2	$2,400,000
Bond proceeds – Branch Library Improvement	$129,245,000
Total Sources	**$131,645,000**
Uses of Project Funds	
Project Costs	$128,550,000
Financing Costs	
Reserve Fund	
Underwriters Discount	$969,338
Costs of Issuance	$2,100,000
Additional Proceeds	$25,662
Total Uses of Project Funds	**$131,645,000**

TABLE A-11

CITY AND COUNTY OF SAN FRANCISCO
General Obligation Bonds (as of 6/1/00)

Description of Issue (Date of Authorization)	Series	Issued	Outstanding	Authorized & Unissued	
Harbor Improvement Bonds	A	$ 20,000,000	$ 2,400,000	$ -	
	B	10,000,000	2,000,000	-	
Fire Protection Systems Improvement Bonds (11/4/86)	1991B	15,200,000	680,000	-	
Police Department Facility Improvement Bonds (11/3/87)	1991A	10,900,000	489,000	-	
	1992B	6,100,000	1,410,000	-	
Recreation and Park Facilities Bonds (11/3/87)	1991E	6,000,000	507,000	-	
Public Health Facilities Improvement Bonds (11/3/87)	1991E	23,000,000	2,028,000	-	
Public School Facilities Improvement Projects Bonds (6/7/88)	1991A	55,000,000	2,445,000	-	
Library Facilities Project (11/3/88)	1992D	84,500,000	6,990,000	-	
Public Safety Improvement Projects (11/7/89)	1992A	6,100,000	1,410,000	-	
	1993A	15,500,000	12,410,000	-	
	1994A	3,455,000	600,000	-	
	1996B	7,645,000	3,300,000	-	
Public Safety Improvement Projects (6/5/90)	1991A	23,000,000	1,031,000	-	
	1991F	26,500,000	2,310,000	-	
	1992C	58,860,000	4,880,000	-	
	1993B	65,000,000	32,035,000	-	
	1994B	18,100,000	3,145,000	-	
	1995A	18,480,000	17,155,000	-	[1]
Correctional Facilities Improvement Project (11/6/90)	1991C	16,500,000	740,000	-	
Golden Gate Park Improvements (6/2/92)	1993C	8,135,000	6,425,000		
	1995B	26,000,000	24,135,000		
	1997A	25,105,000	23,550,000	17,060,000	
Fire Department Facilities Project (11/3/92)	1993D	16,410,000	12,960,000	-	
	1994D	10,105,000	1,755,000	-	
	1996C	14,285,000	8,150,000	-	
Seismic Safety Loan Program (11/3/92)	1994A	35,000,000	30,560,000	315,000,000	
School District Facilities Improvements (6/7/94)	1994C	30,650,000	5,330,000	-	
	1996D	42,300,000	18,215,000	-	
	1997B	22,050,000	20,685,000	-	
Asian Art Museum Project (11/8/94)	1996E	25,000,000	10,770,000	-	
	1999D	16,730,000	16,730,000	-	
City Hall Improvement (11/8/95)	1996A	63,590,000	35,235,000	-	
Steinhart Aquarium Improvement (11/8/95)		-	-	29,245,000	
Affordable Housing Bonds (11/5/96)	1998A	20,000,000	19,505,000	-	
	1999A	20,000,000	20,000,000	60,000,000	
City College and School Bonds (6/3/97)	1999A	20,395,000	20,395,000	29,605,000	[2]
	1999B	60,520,000	60,520,000	29,480,000	
Zoo Bonds (6/3/97)	1999C	16,845,000	16,845,000	31,155,000	[2]
Laguna Honda Hospital (11/2/99)		-	-	299,000,000	
Recreation and Parks (3/7/00)		-	-	110,000,000	[2]
California Academy of Sciences (3/7/00)		-	-	87,445,000	
SUB TOTALS		$ 962,960,000	$ 467,750,000	$ 1,007,990,000	
General Obligation Refunding Bonds Series 1997-1 issued 10/27/97		449,085,000	434,550,000		
TOTALS		$ 1,412,045,000	$ 902,300,000	$ 1,007,990,000	

[1] Reflects reductions from approved FEMA and State grants totaling $122,460,000 as provided in the bond authorization.

[2] Does not include the bonds offered hereunder

[All Committees]
Government Document Section
Main Library

City and County of San Francisco
Meeting Minutes
Finance and Labor Committee

Members: Supervisors Leland Yee, Sue Bierman, Tom Ammiano

Clerk: Mary Red

Tuesday, June 20, 2000 | **1:00 PM** | **City Hall, Room 263**

Departmental Budget Hearings

Members Present: Leland Y. Yee, Sue Bierman, Tom Ammiano.

Meeting Convened

The meeting convened at 1:12 p.m.

000982 **[Budget Hearing and Review, FY 2000-2001]**
Hearing to consider the Annual Budget for General Administration and Finance: Public Protection.

(General Administration and Finance: Administrative Services; Assessor/Recorder; Board of Supervisors; City Attorney; Controller; City Planning; Civil Service Commission; Ethics Commission: Human Resources; Mayor; Elections; Retirement System; Treasurer/Tax Collector; General City Responsibility.)

(Public Protection: Adult Probation; Consumer Assurance, Regulatory Compliance and Agricultural Standards; Animal Care and Control; Medical Examiner; Trial Courts; District Attorney; Fire Department; Juvenile Probation; Public Defender; Police; Sheriff; Companion to File 000979.)
6/5/00, RECEIVED AND ASSIGNED to Finance and Labor Committee. Scheduled for consideration on June 20, 2000.

Heard in Committee. Speakers: Supervisor Yee; Harvey Rose, Budget Analyst; Steve Kawa, Mayor's Budget Office; Supervisor Ammiano; Ed Harrington, Controller; Ryan Brooks, Director, Administrative Services; Bill Lee, City Administrator; Debra Newman, Budget Analyst's Office; Supervisor Bierman; Doris Ward, Assessor/Recorder; Ken Bruce, Budget Analyst's Office; Goloria Young, Clerk of the Board; Louise Renne, City Attorney; Kim Manolius, Deputy City Attorney; Gerald Green, Director, City Planning; Kate Lavetti, Executive Director, Civil Service Commission; Ginny Vida, Executive Director, Ethics Commission; Andrea Gourdine, Director, Human Resources; John Holtzman, Deputy City Attorney; Patty Fado, Director of Elections; Claire Murphy, Executive Director, Retirement System; Susan Leal, Treasurer/Tax Collector; Armando Cervantes, Chief Probation Officer, Adult Probation; David Frieders, Director, Department of Consumer Assurance; Carl Friedman, Director, Animal Care and Control; Dr. Boyd Stephens, Medical Examiner/Coroner; Gordon Park-Li, Assistant CEO, Superior Court; Alfred Chiantelli, Presiding Judge, Superior Court; Terence Hallinan, District Attorney; Fred Brousseau, Budget Analyst's Office; Robert Demmons, Chief, Fire Department; Jessie Williams, Chief Probation Officer, Juvenile Probation -YGC; Jeff Brown, Public Defender; Earl Sanders, Acting Chief of Police; Michael Hennessey, Sheriff. Supervisor Bierman absent for vote. Continued to June 27, 2000.

CONTINUED by the following vote:
Ayes: 2 - Yee, Ammiano
Absent: 1 - Bierman

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ADJOURNMENT

The meeting adjourned at 6:00 p.m.

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2000-2001
9/00

CITY AND COUNTY OF SAN FRANCISCO

BOARD OF SUPERVISORS
BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642
FAX (415) 252-0461

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JUN 22 2000

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June 19, 2000

TO: Finance and Labor Committee

FROM: Budget Analyst

SUBJECT: Mayor's Recommended FY 2000-2001 Budget

The Budget Analyst has conducted a detailed review of the Mayor's recommended FY 2000-2001 budget and has prepared reports and recommendations to reduce the Mayor's recommended budget. Our reports (a) describe the service impacts resulting from the Mayor's recommended budget when services are affected (b) contain recommendations to reduce various budgeted items and (c) contain recommendations to reserve various budgeted items only if insufficient data has been submitted to support the budget requests. The recommendations of the Budget Analyst to reduce the Mayor's budget, to be considered by the Finance and Labor Committee over the next two weeks, would not result in any existing service level reductions.

SUMMARY OF CHANGES IN EXPENDITURES AND POSITIONS

The Mayor's recommended FY 2000-2001 budget of $4,442,032,235 is $229,129,099 or approximately 5.4 percent more than the FY 1999-2000 budget of $4,212,903,136 as finally approved in the FY 1999-2000 Annual Appropriation Ordinance.

The Mayor's recommended FY 2000-2001 total General Fund budget, including General Fund Department expenditures and General Fund contributions to General Fund Supported Departments, of $2,161,565,650 is $183,675,982 more than the FY 1999-2000 General Fund budget of $1,977,889,668, an increase of approximately 9.3 percent.

The table below provides comparative expenditure data for the total City budget between the original FY 1999-2000 budget and the Mayor's Recommended 2000-2001 budget.

Total City Budget Comparison of Expenditures and Other uses

Uses of Funds	FY 1999-2000 Original	FY 1999-2000 Revised	FY 2000-2001 Proposed	Increase (Decrease) from FY 1999-2000 Original	Percent Increase (Decrease) from Original
Regular Expenditures:					
Gross Expenditures	$ 4,364,822,006	$ 4,405,767,660	$ 4,649,964,730	$ 285,142,724	6.5%
Less Interdepartmental Recoveries	(515,621,796)	(548,221,603)	(586,172,085)	(70,550,289)	13.7%
Net Regular Expenditures	$ 3,849,200,210	$ 3,857,546,057	$ 4,063,792,645	$ 214,592,435	5.6%
Capital/Facilities Maintenance	305,545,681	304,460,591	288,454,000	(17,091,681)	-5.6%
Total Reserves	26,469,223	17,954,790	51,835,106	25,365,883	95.8%
Available Surplus Funds	31,688,022	30,045,377	37,950,484	6,262,462	19.8%
Total Uses of Funds	$ 4,212,903,136	$ 4,210,006,815	$ 4,442,032,235	$ 229,129,099	5.4%

The Mayor's recommended FY 2000-2001 budget includes 27,985 funded full time equivalent positions or 638 more positions than the 27,347 funded positions shown in the original FY 1999-2000 budget approved by the Mayor and the Board of Supervisors. The 27,985 positions in the Mayor's recommended FY 2000-2001 budget is 610 positions more than the 27,375 positions in the revised FY 1999-2000 budget, after adjusting for supplemental appropriations approved subsequent to the approval of the FY 1999-2000 budget.

A net total of 387 or 60.7 percent of the 638 total new full time equivalent positions are funded from General Fund and General Fund-Supported departments.

GENERAL FUND EXPENDITURES AND RESERVES

The table below provides comparative data, for General Fund Expenditures, Contributions to General Fund Supported Departments and Reserves, between the original FY 1999-2000 budget and the Mayor's Recommended 2000-2001 budget.

General Fund
Comparison of Expenditures and Other Uses

Uses of Funds	FY 1999-2000 Original	FY 1999-2000 Revised	FY 2000-2001 Proposed	Increase (Decrease) from FY 1999-2000 Original	Percent Increase (Decrease) from Original
Regular Expenditures:					
Gross Expenditures	$ 1,882,436,544	$ 1,909,950,106	$ 2,019,453,450	$ 137,016,906	7.3%
Less Interdepartmental Recoveries	(173,789,845)	(186,890,067)	(200,320,166)	(26,530,321)	15.3%
Net Regular Expenditures	$ 1,708,646,699	$ 1,723,060,039	$ 1,819,133,284	$ 110,486,585	6.5%
Capital/Facilities Maintenance	22,019,110	20,523,177	24,756,379	2,737,269	12.4%
Contribution Transfers to General Fund Supported Departments	192,254,636	198,436,492	237,316,331	45,061,695	23.4%
Reserves	26,469,223	17,954,790	50,359,656	23,890,433	90.3%
General Fund Reserve	28,500,000	24,910,322	30,000,000	1,500,000	5.3%
Total Uses of Funds	$ 1,977,889,668	$ 1,984,884,820	$ 2,161,565,650	$ 183,675,982	9.3%

As can be seen from the table above, total General Fund expenditures, including Contribution Transfers to General Fund Supported Departments, has increased by $183,675,982 or 9.3 percent. The largest percentage increases in General Fund expenditures are for reserves, including the Salary and Benefits Reserve discussed later in this report, and Contribution Transfers to General Fund Supported Departments, which increased by $45,061,695 or 23.4 percent. Such Contribution Transfers are used to subsidize, primarily, the Public Transportation Commission (Muni), San Francisco General Hospital (SFGH) and Laguna Honda Hospital (LHH).

The table on the following page provides an itemization of General Fund supported Departments.

General Fund Supported Departments
Expenditure Comparisons

General Fund Supported Departments	FY 1999-2000 Original	FY 1999-2000 Revised	FY 2000-2001 Proposed	Increase (Decrease) from FY 1999-2000 Original	Percent Increase (Decrease) from Original
Commission on Aging	$ 1,597,632	$ 1,597,632	$ -	$ (1,597,632)	-100.0%
San Francisco General Hospital	36,654,092	36,654,092	73,913,696	37,259,604	101.7%
Laguna Honda Hospital	32,380,038	32,380,038	29,979,454	(2,400,584)	-7.4%
Public Library	26,270,161	26,270,161	27,418,587	1,148,426	4.4%
Parking and Traffic Commission					
- Offstreet Parking	1,321,501	1,321,501	624,168	(697,333)	-52.8%
- Road Fund	6,194,562	6,194,562	4,152,535	(2,042,027)	-33.0%
Municipal Railway	84,433,308	90,565,164	97,321,671	12,888,363	15.3%
DPW - Gas Tax Fund	3,403,342	3,403,342	3,906,220	502,878	14.8%
Totals	$ 192,254,636	$ 198,386,492	$ 237,316,331	$ 45,061,695	23.4%

The Commission on Aging special fund expenditures previously supported by the General Fund are now included in the General Fund budget as part of new the Aging and Adult Services Department.

As can be seen in the table above, the General Fund subsidy of San Francisco General Hospital (SFGH) has more than doubled from the original FY 1999-2000 budget. The SFGH required a supplemental appropriation of $9,940,757 in FY 1999-2000 (File 00-0779, finally approved by the Board of Supervisors on June 12, 2000. The need for this supplemental appropriation was a combination of an overall Department of Public Health (DPH) revenue deficit of $12,772,694, due largely to a $10,000,000 reduction in SB 855 Medi-CAL disproportionate share revenue, offset by net DPH expenditure savings of $2,831,937. The FY 2000-2001 SFGH budget has reduced the budgeted revenue for SB 855 Medi-CAL funds by $10,000,000 consistent with the revenue shortfall in the current, 1999-2000 Fiscal Year.

The Public Library General Fund subsidy shown in the table above is dictated by Charter Section 16.109 which requires that Property Tax revenue equal to $0.025 per one hundred dollars of total assessed valuation be set aside for the

Library Preservation Fund. However, the amount shown in the table above for the General Fund contribution to the Public Library exceeds the amount of the Charter required General Fund subsidy for FY 2000-2001 by $598,575, according to the Controller. Therefore, any reductions made to the Public Library budget, up to the amount of $598,575 would represent a General Fund savings.

The Municipal Railway General Fund subsidy was to remain unchanged from the base amount of General Fund support in FY 1999-2000 in accordance with the requirements of Proposition E which amended the Charter in November of 1999. The base amount was to include the cost to City General Fund Departments that provide services to the Municipal Railway. Therefore, the base amount for FY 1999-2000 includes the $90,565,164 revised General Fund subsidy shown in the table above (which included the original General Fund subsidy of $84,433,308 plus $6,131,856 transferred from the General Fund Salary and Benefits reserve to the Municipal Railway following approval of collective bargaining agreements for Muni employees). In addition the cost of services provided to the Muni by General Fund Departments are now budgeted directly in Muni. The table below, prepared by the Controller's Office shows the recalculation of the Muni's FY 2000-01 baseline General Fund support.

RECONCILIATION OF MUNICIPAL RAILWAY BASELINE CALCULATION

Item	Amount
FY 1999-00 General Fund Support as shown in the Final 1999-00 Annual Appropriation Ordinance	$84,433,308
Muni Operator Salary increases from the 1999-00 Salary and Benefits reserve	6,131,856
FY 1999-00 fringe adjustment for cost of Health coverage	2,528,024
Adjustment for 50 percent of new Parking fine revenue allocated to the General Fund	(1,000,000)
Services of City Attorney claims unit	4,935,884
Services of Department Human Resources Employee Relations Division	292,599
FY 2000-2001 General Fund Support (per Interim Annual Appropriation Ordinance)	$97,321,671

Article VIIIA - Sec. 8A.105 of the Charter, regarding the Municipal Transportation Fund states that, as long as the Municipal Railway's General Fund

subsidy does not exceed the baseline amount, the Board of Supervisors may allow the Muni's base budget to take effect without any action on the part of the Board of Supervisors, or it may reject but not modify the Agency's base budget by a two-thirds' vote. Therefore, because the Muni's base budget does not exceed the adjusted baseline amount as calculated by the Controller, the Board of Supervisors can only approve, adopt without any action, or reject the Muni proposed budget for FY 2000-2001.

RESERVES

The Mayor's recommended FY 2000-2001 budget contains an undesignated General Fund Reserve of $30,000,000 which is $1,500,000 more than the General Fund Reserve of $28,500,000 as finally approved in the FY 1999-2000 Annual Appropriation Ordinance.

In addition, the City has an Emergency Reserve Fund balance of $4,198,046 carried forward from FY 1999-2000 into FY 2000-2001.

Designated Reserves

In addition to the undesignated General Fund Reserve of $30,000,000, the Mayor's Recommended FY 2000-2001 budget contains five designated General Fund Reserves as follows:

Audit/Year-End Closing Adjustments	$4,500,000
Human Rights Commission Task Force Recommendations	1,000,000
Systems Infrastructure Reserve	1,000,000
Litigation Reserve	9,000,000
Salary and Benefits	34,859,656
Total Designated Reserves	$50,359,656

The Litigation Reserve is established every year to set aside funds for lawsuits and related expenses anticipated by the City Attorney for the 2000-2001 Fiscal Year. The Salary and Benefits Reserve is calculated by the Controller and the Mayor's Office to provide funding for pending labor agreements that have not yet been approved by the Board of Supervisors. The Year-End Closing Audit Adjustments Reserve is established to provide funds for necessary expenditure adjustments that are required during the closeout of the 1999-2000 Fiscal Year and preparation of the Consolidated Annual Financial Report.

With the exception of the Audit/Year-End Closing Adjustments reserve and the Salary and Benefits reserve, reserves shown in the table above will require a

supplemental appropriation, approved by both the Mayor and the Board of Supervisors prior to release of such reserves for expenditure.

Controller's Reserves

The Controller has established total reserves for expenditures included in departmental budgets in the amount of $2,861,019 for various expenditures as described below:

Adult Probation Department – reserve pending Receipt of Grant Funds	$961,019
San Francisco General Hospital – reserve for Acute Care Psychiatry and Department of Public Health – expenditures for Alternatives to Hospitalization	1,900,000
Total Controller's Reserve	$2,861,019

The San Francisco General Hospital (SFGH) Acute Psychiatry and Department of Public Health expenditures for alternative to hospitalization both relate to a budget initiative to retain 22 psychiatric inpatient beds at SFGH and developing alternatives to hospitalization in the Department of Public Health (DPH) budget for psychiatric patients. The Controller has reserved approximately eight months of expenditures during FY 2000-2001 to evaluate the success of the new approach to psychiatric inpatient care. The Budget Analyst will recommend, in our budget report on DPH, that the Finance and Labor Committee also place these funds on reserve so that the DPH can report to the Finance and Labor Committee on the program prior to continuing funding for the remainder of FY 2000-2001.

SOURCES OF FUNDS: REVENUES AND CONTRIBUTION TRANSFERS

FY 1999-2000 General Fund Year End Surplus

The March 3, 2000 Joint Report prepared by the Mayor's Director of Finance, the Controller and the Budget Analyst projected a General Fund revenue shortfall $24,400,000 for Fiscal Year 2000-2001. At that time, the Controller had estimated that the FY 1999-2000 General Fund year end surplus, which would be available as a source of funds for the Fiscal Year 2000-2001 budget, would amount to $90,200,000. Subsequently, on May, 5 2000, the Controller issued his Nine-Month

Budget Status report which included a $113,700,000 estimate of the FY 1999-2000 General Fund year end surplus.

The Mayor's Recommended 2000-2001 budget includes General Fund prior year surplus funds in the amount of $116,100,000, or $2,400,000 over the Controller's May 5, 2000 estimate for the FY 1999-2000 surplus, and an increase of $9,280,000 over the $106,820,000 FY 1999-2000 estimated surplus which was used as a source of funds for the original FY 1999-2000 budget. According to the Controller, the increase in the General Fund prior year surplus funds of $2,400,000 over the Controller's May 5, 2000 estimate is the result of an increased allocation of State Health Realignment funds for Fiscal Year 1999-2000.

Regular Revenues

The Budget Analyst has reviewed the major budgeted General Fund revenues in the Mayor's Recommended FY 2000-2001 budget and found that such major revenues reflect the Controller's Nine-Month Budget Status report adjusted for revenue growth rates that are consistent with the assumptions utilized in the March 3, 2000 Joint Report prepared by the Mayor's Director of Finance, the Controller and the Budget Analyst.

Contribution Transfers to the General Fund from the Airport Annual Service Payment and Hetch Hetchy Surplus Revenues

The table below summarizes the Contribution Transfers to the General Fund.

Contribution Transfer	FY 1999-2000 Original Budget	FY 2000-2001 Recommended Budget	Increase (Decrease)
Airport Annual Service Payment	$24,000,000	$28,327,877	$4,327,877
Hetch Hetchy Surplus Revenue Transfer	39,850,000	29,850,000	(10,000,000)
Totals	$ 63,850,000	$58,177,877	$(5,672,123)

The increased contribution transfer from the Airport reflects continued growth in Airport concession revenues in FY 2000-2001. In September of 2000, the Airport will begin operation of the new International Terminal. New concession

revenue resulting from the opening of the International Terminal are included in the Mayor's Recommended Airport Contribution Transfer of $28,327,877.

The March 3, 2000 Joint Report estimated that the General Fund Contribution Transfer from Hetch Hetchy Surplus Revenues would be reduced by $6.35 million, from $39.95 million in FY 1999-2000 to $33.6 million in FY 2000-2001. However, Hetch Hetchy revenue decreases resulting from the deregulation and increased capital spending requirements have, according to the Mayor's proposed budget, further decreased the available Hetch Hetchy Contribution Transfer to $29,850,000.

UNDERFUNDED ITEMS

In past Fiscal Years, the Budget Analyst has reported to the Board of Supervisors that certain General Fund expenditures in the Mayor's recommended budget have been significantly underbudgeted. Typically, such items include Police Overtime and Workers Compensation. In FY 1999-2000, the Police Department has exceeded its overtime budget by an estimated $3,900,000 according to the latest expenditure projections. This overexpenditure has been offset by Uniform salary savings and savings from other non-salary fringe benefit accounts. For the FY 2000-2001 budget, the Mayor has recommended an increase in the General Fund Police Overtime budget of $1,650,000. Based on current year spending therefore, Police Overtime may be underbudgeted by $2,250,000.

The Controller's Nine-Month budget status report estimated a General Fund deficit in Workers Compensation amounting to approximately $3,200,000 for FY 1999-2000. The Budget Analyst has reviewed the Mayor's Recommended FY 2000-2001 budget for the adequacy of Workers Compensation budgeted expenditures. We have found that the Mayor's Recommended budget has increased budgeted expenditures for Workers Compensation in General Fund and General Fund supported departments to levels that approximate current year spending levels. However, the Budget Analyst notes that amounts for Workers Compensation expenditures in the Mayor's Recommended Budget do not allow for growth in spending over the current 1999-2000 Fiscal Year. According to Mr. Steve Kawa, Mayor's Director of Finance, the Mayor's proposed budget provides adequate funding for Workers Compensation after adjustments for certain high cost cases that have contributed heavily to Workers Compensation expenditures in FY 1998-99 and FY 1999-2000. Also, the Workers Compensation Council's recommendations will be addressed during FY 2000-2001 which will provide additional improvements in Workers Compensation management practices.

EQUIPMENT PURCHASE IN LIEU OF LEASE FINANCING – GENERAL FUND DEPARTMENTS

The Mayor's proposed FY 2000-2001 budget includes substantial increases in outright equipment purchases rather than using lease financing for purchase of equipment. The table below provides a comparison between the FY 1999-2000 and FY 2000-2001 budget for such equipment purchases for General Fund and General Fund supported departments.

General Fund and General Fund Supported Departments Equipment Purchase

	FY 1999-2000 Original	FY 1999-2000 Revised	FY 2000-2001 Proposed	Increase (Decrease) from FY 1999-2000 Original	Percent Increase (Decrease) from Original
General Fund Departments	$3,372,372	$3,581,893	$15,587,698	$12,215,326	362.2%
San Francisco General Hospital	275,190	275,190	2,669,169	2,393,979	869.9%
Laguna Honda Hospital	150,500	79,394	248,810	98,310	65.3%
Public Library	528,308	487,448	710,000	181,692	34.4%
Parking and Traffic Commission - Offstreet Parking	-	-	47,500	47,500	n/a
DPW - Gas Tax Fund	-	-	94,500	94,500	n/a
Totals	$4,326,370	$4,423,925	$19,357,677	$15,031,307	347.4%

As shown above, the proposed General Fund equipment purchase budget for FY 2000-2001 of $19,357,677 is $15,031,307 or 347.4 percent greater than the original FY 1999-2000 equipment purchase budget of $4,326,370

The advantage of making equipment purchases outright, instead of lease financing such purchases, is that substantial savings can be realized in interest payments over subsequent fiscal years. According to the Mayor's Office of Public Finance, the maximum General Fund equipment lease financing authorization for FY 2000-2001 is sufficient to lease purchase $9,200,000. Therefore, if the City were to lease finance such equipment in FY 2000-2001, the General Fund appropriation for such equipment purchases could be reduced by $9,000,000 (the $9,200,000 value

of equipment that could be lease purchased less approximately $200,000 for the initial payment in the first year).

However, if the City were to lease finance $9,200,000 in equipment for FY 2000-2001, total debt service for the equipment lease financing would amount to approximately $13,165,000 over the next five years. The increased cost due to interest payments over five-years of lease financing $9,200,000 in equipment would be $3,965,000, or 43.1 percent of the value of the equipment actually purchased. Clearly, therefore, the City will realize substantial savings over the next five years by purchasing equipment outright instead of by using available lease financing capacity.

DEPARTMENT BUDGETS NOT SUBJECT TO AMENDMENT BY THE BOARD OF SUPERVISORS

Besides the Municipal Railway budget discussed above, two new departments have been created for FY 2000-2001 which, according to State law, are not subject to amendment by the Board of Supervisors. The two new City Department's are the Children and Families Commission, funded by new tobacco tax funds transferred from the State, and the Department of Child Support Services, formerly a division within the District Attorney's office. Because the Municipal Railway as well as these two department budgets are not subject to amendment by the Board of Supervisors, the Budget Analyst will not be issuing reports and recommendations on these three proposed budgets for FY 2000-2001.

BUDGET ANALYST RECOMMENDATIONS

Over the next two weeks, the Budget Analyst will be presenting recommendations to reduce expenditures in the Mayor's recommended FY 2000-2001 budget without reducing services below current levels. For example, the Budget Analyst has found that many City Departments are now requesting upward substitutions of new positions for existing positions, resulting in increased salary and fringe benefit costs. Based on the fact that such substitutions were made during previous years without budgetary approval by the Board of Supervisors, the Budget Analyst will recommend, where appropriate, increased attrition savings to enable the Department to continue to maintain the existing filled positions, at the higher salary and fringe benefit cost, but eliminate increased expenditures as a result of such a substitution of positions.

Significant recommendations will be presented for the following City Departmental budgets to be considered by the Finance and Labor Committee at its

meeting of June 20, 2000, with various other recommended reductions to be reported subsequent to the issuance of this report:

Department	Budget Analyst's Recommended Expenditure Reductions
Administrative Services	$956,796
City Attorney	513,751
Human Resources	1,370,174
Trial Courts*	1,208,088
Fire	5,091,319
Police	2,264,405
Sheriff	733,000
Total	$12,137,533

* The budget of the Trial Courts is not subject to review by the Mayor. Only the Board of Supervisors can reduce the budget of the Trial Courts.

The recommendations of the Budget Analyst are subject to change over the next two weeks based on new information provided by City Departments.

The results of the Budget Analyst's review are detailed in three separate reports to the Finance and Labor Committee. Each report contains the recommendations of the Budget Analyst, along with explanations supporting those recommendations. These reports are as follows:

- General Administration and Finance and Public Protection (June 20, 2000, 1:00 p.m.)
- Human Welfare and Neighborhood Development and Community Health (June 21, 2000, 1:00 p.m.)
- Culture and Recreation, Public Works, Transportation and Commerce (June 22, 2000, 1:00 p.m.)

Harvey M. Rose

cc: Supervisor Yee
Supervisor Bierman
President Ammiano
Supervisor Becerril
Supervisor Brown
Supervisor Katz
Supervisor Kaufman
Supervisor Leno
Supervisor Newsom
Supervisor Teng
Supervisor Yaki
Clerk of the Board
Controller
Clerk of the Board
Controller
Steve Kawa

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6/20/00

CITY AND COUNTY OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642
FAX (415) 252-0461

June 16, 2000

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TO: Finance and Labor Committee

FROM: Budget Analyst

SUBJECT: Recommendations of the Budget Analyst for Amendment of the Mayor's Fiscal Year 2000-2001 Budget.

The Budget Analyst is providing the attached budget recommendations for departments listed below which are the subject of the Finance and Labor Committee budget hearing.

Finance and Labor Committee Budget Hearing - June 20, 2000, ~~10:00 a.m.~~ 1:00 PM.

General Administration and Finance

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Harvey M. Rose

cc: Supervisor Yee
Supervisor Bierman
President Ammiano
Clerk of the Board
Controller
Steve Kawa

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS 2000-01

DEPARTMENT: ADM ADMINISTRATIVE SERVICES

FINANCIAL DATA:

The Department of Administrative Services proposed $49,871,741 budget for FY 2000-01 is $4,995,317 or 11.13 percent more than the original FY 1999-2000 budget of $44,876,424. The net increase from the revised FY 1999-2000 budget is $465,419 or 0.94 percent.

SUMMARY OF PROGRAM EXPENDITURES:

Program Expenditures	Fiscal Year 1999-2000 Original	Fiscal Year 1999-2000 Revised	Mayor's Budget Fiscal Year 2000-2001	Proposed Increase (Decrease) From 1999-2000 Original Budget
1660 Mission Street Building	$ 1,946,813	$ 1,946,813	$ 1,957,413	$ 10,600
25 Van Ness Building	2,343,426	2,343,426	2,404,190	60,764
555 Seventh Street Building	-	463,100	834,774	834,774
Bay Area Electric Vehicle Program	-	250,000	-	(250,000)
Central Shops	15,024,813	15,101,813	16,131,727	1,106,914
City Administration Support	477,953	477,953	345,021	(132,932)
Commute Assistance	258,959	318,959	-	(258,959)
County Clerk Services	557,025	557,025	612,117	55,092
Disability Access	24,029	121,674	24,029	-
Management & Administration(FAC)	1,868,171	2,072,518	2,245,468	377,297
Procurement Services	3,055,304	3,100,304	3,276,781	221,477
Real Estate Work Order	2,379,554	5,630,030	4,562,967	2,183,413
Real Estate General Fund	354,479	354,479	355,053	574
Reproduction Services	5,304,865	5,444,840	5,471,318	166,453
Risk Management/General	5,457,698	5,457,698	5,185,700	(271,998)
Solid Waste Management	3,991,975	4,031,975	4,115,183	123,208
Total Operating Expenditures	$ 43,045,064	$ 47,672,607	$ 47,521,741	$ 4,226,677
Capital Improvements & Fac. Maint.	1,831,360	1,733,715	2,350,000	518,640
Total Expenditures	44,876,424	49,406,322	49,871,741	4,995,317
Less Work Order Recoveries	(28,869,028)	(32,445,825)	(31,893,682)	(3,024,654)
Net Expenditures	$ 16,007,396	$ 16,960,497	$ 17,978,059	$ 1,970,663

Department: **ADM ADMINISTRATIVE SERVICES (continued)**

DEPARTMENT PERSONNEL SUMMARY:

The number of full-time equivalent positions budgeted for FY 2000-01 is 259.81 FTEs, which is 3.39 FTEs more than the 256.42 FTEs in the original FY 1999-2000 budget. The FTE allocations by program are as follows:

	Fiscal Year 1999-2000		Mayor's Budget Fiscal Year	Proposed Increase (Decrease) From 1999-2000
Full Time Equivalents	Original	Revised	2000-2001	Original Budget
Central Shops	110.94	110.94	110.89	(0.05)
City Administration Support	2.90	2.90	3.75	0.85
Commute Assistance	0.49	0.49	-	(0.49)
County Clerk Services	7.80	7.80	7.80	-
Management/Administration	22.53	23.09	22.70	0.17
Procurement Services	40.79	40.79	40.46	(0.33)
Real Estate Workorders	25.64	25.64	25.39	(0.25)
Reproduction Services	21.97	21.97	24.44	2.47
Risk Management/General	2.21	2.21	3.21	1.00
Solid Waste Management	21.15	21.15	21.17	0.02
Total	256.42	256.98	259.81	3.39

DEPARTMENT REVENUES

Department revenues have increased by $1,216,846 or 14.35 percent and General Fund support has increased by $753,817 or 12.3 percent.

DESCRIPTION

The increase in revenues of $1,216,846 in the Administrative Services budget is partly a result of the acquisition of the 555 Seventh Street Building and the increased rental income for the Real Estate Department, and partly due to increased payments from other City Department's for Administrative Services work-order activities. The overall increase in the budget is due in large part to these increases in work orders for various Department programs, such as a $2,183,413 increase in the Real Estate Work

Department: **ADM ADMINISTRATIVE SERVICES (continued)**

Order program and a $1,106,914 increase for Central Shops. The Disability Access program includes $1,800,000 for administrative staffing, consultant studies and capital projects, which is $493,640 more than FY 1999-00 revised budget and which is largely responsible for the increase of $518,640 to Capital Improvements & Facilities Maintenance. Major changes in the Department's budget include the (1) addition of a new $90,832 Sunshine Ordinance Support Project, (2) creation of a new City Vehicle Pool with the purchase of ten regular vehicles ($230,000) and the lease of five electric vehicles ($100,000), and (3) transfer of the $258,959 Commute Assistance budget to the Department of the Environment.

COMMENT

The Mayor's budget provides an increase of $4,995,317. Our recommended reductions, which total $956,796, would still allow an increase of $4,038,521 or 9.0% in the Department's budget.

RECOMMENDATIONS OF THE BUDGET ANALYST FOR
AMENDMENT OF BUDGET ITEMS
2000-01

Department: ADM - Administrative Services

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
AME		**County Clerk Services**						
2526	035	Other Current Expenses				$22,640	$15,000	$7,640
		Reduce to reflect actual expenditure rate						
2526	040	Materials & Supplies Budget Only				15,000	5,300	9,700
		Reduce to reflect actual expenditure rate and delete "partial initial implementation of scanning technology."						
		Subtotal Recommended Reductions - County Clerk Services						$17,340
BAI		**Solid Waste Management**						
2528	001	Permanent Salaries - Misc.				1,406,292	1,355,465	*
		*The recommended reduction in Permanent Salaries - Misc is the total of the following specific recommendations regarding individual classifications.						
2556		Special Assistant VI	1365	(1.00)	0.00	(48,402)	0	(48,402)
		Special Assistant VIII	1367	1.00	0.00	56,017	0	56,017
2556		Senior Clerk Typist	1426	(1.00)	0.00	(41,656)	0	(41,656)
		Special Assistant VIII	1366	1.00	0.00	52,048	0	52,048
2556		Special Assistant IX	1368	(1.00)	0.00	(60,254)	0	(60,254)
		Special Assistant XI	1370	1.00	0.00	70,094	0	70,094
2556		Special Assistant XI	1369	(1.00)	0.00	(65,160)	0	(65,160)
		Special Assistant XIII	1372	1.00	0.00	79,975	0	79,975

Department: ADM - Administrative Services

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
556		Special Assistant XVII	1376	(1.00)	0.00	($107,194)	$0	($107,194)
		Special Assistant XVIII	1377	1.00	0.00	115,359	0	115,359
		Disapprove the proposed upward substitutions. These five substitutions have not received authorization from the Department of Human Resources.						
528	013	Mandatory Fringe Benefits				333,220	320,005	13,215
		Corresponds to the reduction in Permanent Salaries - Misc.						
		Subtotal Recommended Reductions - Solid Waste Management						**$64,042**
AC		**Management/Administration**						
533	067	Blds, Structures & Improvements				200,000	200,000	*
		*Reserve $200,000 for Hall of Justice Assessment Study because the contractor has not yet been selected and detailed cost information is not currently available.						
		Subtotal Recommended Reserves - Management/Administration						**$200,000**

RECOMMENDATIONS OF THE BUDGET ANALYST FOR
AMENDMENT OF BUDGET ITEMS
2000-01

Department: ADM - Administrative Services

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
FAV		**Disability Access**						
2535	067	Blds, Structures & Improvements				$1,800,000	$1,800,000	*
		*Reserve a total of $900,000 for the Disability Access program, including $250,000 for planned consulting projects that have not yet been completed and for which detailed cost information is not currently available and an additional $650,000 for capital projects because list is preliminary and will not be determined until later this summer.						
2535	067	Blds, Structures & Improvements				1,800,000	1,450,000	$350,000
		Reduce proposed budget by $350,000 because no details are available on how office expenditures will be made. This reduction would still allow the department to maintain actual expenditure rate of the current fiscal year.						
		Subtotal Recommended Reductions - Disability Access						$350,000
		Subtotal Recommended Reserves - Disability Access						$900,00
FAW		**City Administrator Support**						
2537	001	Permanent Salaries - Misc				36,162	0	*
		*The recommended reduction in Permanent Salaries - Misc is the total of the following specific recommendations regarding individual classifications.						

RECOMMENDATIONS OF THE BUDGET ANALYST FOR
AMENDMENT OF BUDGET ITEMS
2000-01

Department: ADM - Administrative Services

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
562		Special Assistant VI	1365	0.75	0.00	$36,162	$0	$36,162
		Delete requested new Special Assistant VI related primarily to the Sunshine Ordinance because the anticipated workload does not justify the need for an additional full-time permanent position. Furthermore, the Immigrant Rights Commission does not warrant additional staff since this Commission received a new full-time permanent Special Assistant XIII in the current fiscal year. The proposed budget would still include $30,000 for DTIS to develop and maintain the required Web site for Administrative Services' compliance with the Sunshine Ordinance.						
37	013	Mandatory Fringe Benefits				9,670	0	9,670
		Corresponds to the reduction in Permanent Salaries - Misc.						
37	035	Other Current Expenses				15,000	0	15,000
		Reduce Other Current Expenses to reflect elimination of the Special Assistant VI (see above).						
		Subtotal Recommended Reductions - City Administrator Support						$60,832

RECOMMENDATIONS OF THE BUDGET ANALYST FOR
AMENDMENT OF BUDGET ITEMS
2000-01

Department: ADM - Administrative Services

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
FCB		**Reproduction Services**						
2539	040	Materials & Supplies				$769,206	$469,206	$300,000
		Reduce to reflect savings that will be achieved by purchasing $160,000 Color Printer and therefore avoiding the higher cost of contracting out for such color printing services for City departments.						
		Subtotal Recommended Reductions - Reproduction Services						**$300,000**
FCC		**Procurement Services**						
2541	001	Permanent Salaries - Misc.				2,337,495	2,270,726	*
		*The recommended reduction in Permanent Salaries - Misc is the total of the following specific recommendations regarding individual classifications.						
2564		Project Director	1070	0.75	0.00	66,769	0	66,769
		Delete requested new position as no justification has been provided by Department.						
2541	013	Mandatory Fringe Benefits				576,449	559,089	17,360
		Corresponds to the reduction in Permanent Salaries - Misc.						
		Subtotal Recommended Reductions - Procurement Services						**$84,129**

epartment: ADM - Administrative Services

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
FCT		**Risk Management/General**						
542	035	Other Current Expenses				$4,790,116	$4,744,663	$45,453
		Reduce to reflect actual decreases in insurance costs for City departments.						
		Subtotal Recommended Reductions - Risk Management/General						$45,453
DA		**Central Shops**						
543	061	Equipment Lease Purchase - Initial				100,000	95,000	5,000
		Reduce to reflect actual cost for five electric vehicles, based on Purchaser's data ($19,000 x 5 vehicles).						
544	060	Equipment Purchase				202,100	172,100	30,000
		Reduce equipment purchase for non-specified items. The resulting $172,100 Equipment Purchase budget would still be $10,100 more than the amount budgeted in the current fiscal year.						
		Subtotal Recommended Reductions - Central Shops						$35,000
		Total Recommended Reductions						$956,796
		Total Recommended Reserves						$1,100,000

DEPARTMENT: ASR ASSESSOR/RECORDER

FINANCIAL DATA:

The Department of Assessor/Recorder proposed $11,782,676 budget for FY 2000-01 is $472,058 or 4.17 percent more than the original FY 1999-2000 budget of $11,310,618. The net increase from the revised FY 1999-2000 budget is $472,058 or 4.17 percent.

SUMMARY OF PROGRAM EXPENDITURES:

Program Expenditures	Fiscal Year 1999-2000 Original	Fiscal Year 1999-2000 Revised	Mayor's Budget Fiscal Year 2000-2001	Proposed Increase (Decrease) From 1999-2000 Original Budget
Personal Property	$ 2,203,485	$ 2,203,485	$ 2,231,212	$ 27,727
Real Property	3,064,144	3,064,144	3,058,405	(5,739)
Recorder	2,007,932	2,007,932	1,931,763	(76,169)
Tax Assessment	3,443,799	3,443,799	3,212,193	(231,606)
Technical Services	591,258	591,258	1,349,103	757,845
Total Expenditures	$ 11,310,618	$ 11,310,618	$ 11,782,676	$ 472,058

Department: ASR ASSESSOR/RECORDER (continued)

DEPARTMENT PERSONNEL SUMMARY:

The number of full-time equivalent positions budgeted for FY 2000-01 is 133.17 FTEs, which are 1.95 FTEs less than the 135.12 FTEs in the original FY 1999-2000 budget. The FTE allocations by program are as follows:

	Fiscal Year 1999-2000		Mayor's Budget Fiscal Year	Proposed Increase (Decrease) From 1999-2000
~~Full Time Equivalents~~	Original	Revised	2000-2001	Original Budget
Personal Property	29.22	29.22	28.52	(0.70)
Real Property	42.31	42.31	40.53	(1.78)
Recorder	23.75	23.75	23.74	(0.01)
Tax Assessment	29.73	29.73	22.24	(7.49)
Technical Services	10.11	10.11	18.14	8.03
Total	135.12	135.12	133.17	(1.95)

DEPARTMENT REVENUES

Department revenues have decreased by $5,000 from $3,285,307 to $3,280,307 or 0.15 percent and General Fund support has increased by $477,058 or 5.9 percent.

DESCRIPTION

The increase in Assessor/Recorder operating expenditures from the FY 1999-00 original budget is $472,058. Major expenditure changes in the proposed budget are summarized below:

- An increase in Salaries and Fringe Benefits of $185,376 due to mandated MOU increases, which are already identified in the FY 2000-01 recommended budget.

Department: ASR ASSESSOR/RECORDER (continued)

- A decrease of 1.95 FTE positions which are the result of a decrease of 1.0 FTE related to substitutions and reassignments that have been approved by the Department of Human Resources, a decrease of 1.36 FTEs resulting from increases in Attrition Savings and an off-setting increase of 0.41 FTEs in Temporary Salaries. The net increase in expenditures is $5,753.

- An increase of $32,098 from $67,902 to $100,000 in Workers Compensation as requested by the Mayor and the Department of Human Resources and an increase of $276,958 from $8,909 to $285,867 for computer services as requested by the Department of Telecommunication & Information Services (DTIS). These increases have been offset by net reductions in Services by Others and Materials and Supplies totaling $28,127.

- The $32,098 increase to Workers Compensation is due to an increasing workload of cases that have occurred during the current fiscal year.

- The $276,958 increase to the Department of Telecommunications & Information Services (DTIS) is due to: (1) a reallocation ($229,474 addition to the Assessor/Recorder) of expenditures among General Fund departments resulting in increases for some departments and decreases to other departments for a net reduction to the General Fund; and (2) a one-time expenditure ($47,484) recommended by the Mayor including a number of improvements and upgrades to equipment, infrastructure and internal support that will benefit both DTIS and client departments.

COMMENT

The Mayor's budget provides an increase of $477,058. Our recommended reductions, which total $170,533, would still allow an increase of $301,525 or 2.7% in the Department's budget.

RECOMMENDATIONS OF THE BUDGET ANALYST FOR
AMENDMENT OF BUDGET ITEMS
2000-01

Department: ASR - Assessor/Recorder

Page No.	Object	Account Title	Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
Recorder (FCG)								
2584	001	Permanent Salaries - Misc. * The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.				$567,268	$552,200	*
2593	001	Attrition Savings - Misc. Increase Attrition Savings to actual 1999-00 expenditure level adjusted for salary increase.	9993M	(0.80)	(1.10)	(40,416)	(55,484)	$15,068
2584	009	Premium Pay Reduce to actual 1999-00 expenditure level adjusted by a cost of living factor for 2000-01.				9,638	5,638	4,000
2584	013	Mandatory Fringe Beneifts Corresponds to reduction in salaries.				146,453	142,565	3,888
2584	035	Other Current Services Reduce to actual 1999-00 expenditure level adjusted by a cost of living factor for 2000-01.				10,000	5,500	4,500
2584	040	Materials & Supplies Reduce to actual 1999-00 expenditure level adjusted by a cost of living factor for 2000-01.				14,900	8,325	6,575

Department: ASR - Assessor/Recorder

Page No.	Object	Account Title	Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
Real Property (FDJ)								
2588	001	Permanent Salaries - Misc. * The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.				$2,313,884	$2,302,247	*
2595	001	Attrition Savings - Misc. Increase Attrition Savings to actual 1999-00 expenditure level adjusted for salary increase.	9993M	(3.47)	(3.67)	(198,150)	(209,787)	$11,637
2588	013	Mandatory Fringe Benefits Corresponds to reduction in salaries.				579,953	577,032	2,921
2588	022	Training Reduce to actual 1999-00 expenditure level adjusted by a cost of living factor for 2000-01.				13,500	10,500	3,000
Personal Property (FDK)								
2589	001	Permanent Salaries - Misc. * The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.				1,673,656	1,637,364	*

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS 2000-01

Department: ASR - Assessor/Recorder

Page No.	Object	Account Title	Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
2596	001	Attrition Savings - Misc. Increase Attrition Savings to actual 1999-00 expenditure level adjusted for salary increase.	9993M	(2.48)	(3.10)	($145,038)	($181,330)	$36,292
2589	013	Mandatory Fringe Benefits Corresponds to reduction in salaries.				413,353	404,389	8,964
Tax Assessment (FEH)								
2591	001	Permanent Salaries - Misc. * The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.				883,854	832,592	*
2599	001	Attrition Savings - Misc. Increase Attrition Savings to actual 1999-00 expenditure level adjusted for salary increase.	9993M	(1.20)	(2.00)	(76,598)	(127,860)	51,262
2591	013	Mandatory Fringe Benefits Corresponds to reduction in salaries.				210,801	198,575	12,226
2591	022	Training Reduce to actual 1999-00 expenditure level adjusted by a cost of living factor for 2000-01.				14,700	12,700	2,000

RECOMMENDATIONS OF THE BUDGET ANALYST FOR
AMENDMENT OF BUDGET ITEMS
2000-01

Department: ASR - Assessor/Recorder

Page No.	Object	Account Title	Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
2591	035	Other Current Expenses				$13,200	$10,000	$3,20
		Reduce to actual 1999-00 expenditure level adjusted by a cost of living factor for 2000-01.						
2591	040	Materials & Supplies				50,000	45,000	5,000
		Reduce to actual 1999-00 expenditure level adjusted by a cost of living factor for 2000-01.						
		Total Recommended Reductions						$170,53

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS 2000-01

DEPARTMENT: BOS BOARD OF SUPERVISORS

FINANCIAL DATA:

The Board of Supervisors proposed $8,900,046 budget for FY 2000-01 is $294,789 or 3.43 percent more than the original FY 1999-2000 budget of $8,605,257. The net increase from the revised FY 1999-2000 budget is $294,789 or 3.43 percent.

SUMMARY OF PROGRAM EXPENDITURES:

Program Expenditures	Fiscal Year 1999-2000 Original	Fiscal Year 1999-2000 Revised	Mayor's Budget Fiscal Year 2000-2001	Proposed Increase (Decrease) From 1999-2000 Original Budget
Board of Supervisors	$ 8,268,284	$ 8,268,284	$ 8,370,825	$ 102,541
Cable Television Access	118,000	118,000	130,000	12,000
Sunshine Ordinance Task Force	-	-	173,380	173,380
Youth Commission	218,973	218,973	225,841	6,868
Total Expenditures	$ 8,605,257	$ 8,605,257	$ 8,900,046	$ 294,789

DEPARTMENT PERSONNEL SUMMARY:

The number of full-time equivalent positions budgeted for FY 2000-01 is 75.91 FTEs, which is 1.46 FTEs more than the 74.45 FTEs in the original FY 1999-2000 budget. The FTE allocations by program are as follows:

Full Time Equivalents	Fiscal Year 1999-2000 Original	Fiscal Year 1999-2000 Revised	Mayor's Budget Fiscal Year 2000-2001	Proposed Increase (Decrease) From 1999-2000 Original Budget
Board of Supervisors	70.98	70.98	70.94	(0.04)
Sunshine Ordinance Task Force	-	-	1.50	1.50
Youth Commission	3.47	3.47	3.47	-
Total	74.45	74.45	75.91	1.46

Department: **BOS BOARD OF SUPERVISORS (continued)**

DEPARTMENT REVENUES

Department revenues have increased by $61,000 or 27.9 percent, primarily from Other General Government Charges collected by the Board of Supervisors. The General Fund support has increased by $233,789 or 2.8 percent.

DESCRIPTION

The FY 2000-01 Board of Supervisors budget includes the addition of one new 1372 Special Assistant XIII (0.75 FTE) to provide Records and Information Compliance and one new 1376 Special Assistant XVII (0.75 FTE) to be Assistant Clerk of the Board, in response to specific recommendations included in the Management Audit Report of the Office of the Clerk of the Board that was completed in FY 1999-00. To offset these additional costs, the Board of Supervisors Permanent Salaries have been reduced to account for increased Attrition Savings and Step Adjustments. In addition, the Professional & Specialized Services account is being adjusted for the Budget Analyst's contractually determined cost of living adjustment and the amount required for the audit of the Controller's Books.

The proposed budget also includes one new 1370 Special Assistant XI (0.75 FTE) and one new 1426 Senior Clerk Typist (0.75 FTE) to provide new staff for the Sunshine Ordinance Task Force, as a result of Proposition G, which was approved by the San Francisco voters on November 2, 1999. Overall, the Board of Supervisors new Sunshine Ordinance Task Force costs are projected to be $173,380 in FY 2000-01.

RECOMMENDATIONS OF THE BUDGET ANALYST FOR
AMENDMENT OF BUDGET ITEMS
2000-01

Department: BOS - Board of Supervisors

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
FAE		Board of Supervisors						
2606	001	Permanent Salaries - Misc.				$3,862,236	$3,623,129	*
		* The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.						
2611	1364	Special Assistant V		11.00	5.71	497,311	258,204	$239,107

Delete one 1364 Special Assistant V position from each of the 11 members of the Board of Supervisors, effective January 8, 2001, in accordance with the Supplemental Appropriation and Salary Ordinances (Files 101-97-9 and 102-97-3) which created and initially funded these 11 positions. That Supplemental Appropriation Ordinance and Salary Ordinance, previously approved by the Board of Supervisors, stated "These positions shall terminate on January 8, 2001." This reduction will result in each member of the Board of Supervisors retaining two 1835 Legislative Assistants. A Charter Amendment is currently pending in the Rules Committee of the Board of Supervisors for the November 7, 2000 ballot to require that each member of the Board of Supervisors have three staff members, two legislative aides (i.e., the current 1835 Legislative Assistants) and one district aide (i.e., the proposed 1364 Special Assistant to be deleted). If the Charter Amendment is approved, these 11 positions could then be funded through a Supplemental Appropriation, after the November 7, 2000 election. The Clerk of the Board concurs with this recommendation of the Budget Analyst to delete the 11 positions at this time.

Department: BOS - Board of Supervisors

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
2606	013	Mandatory Fringe Benefits				$926,922	$864,754	$62,168
		Corresponds to the reduction in Permanent Salaries - Misc.						
		Subtotal Recommmended Reductions - Board of Supervisors						$301,275
FAK		**Sunshine Ordinance Task Force**						
2608		Permanent Salaries - Misc				83,492	52,250	*
		* The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.						
2613	1426	Senior Clerk Typist		0.75	0.00	31,242	0	31,242
		Eliminate the proposed new 1426 Senior Clerk Typist to assist the new 1370 Special Assistant XI for the Sunshine Ordinance Task Force. Transfer (see below) these Permanent Salaries- Misc funds to Temporary Salaries, since the precise workload of the new Task Force is not yet known, and therefore the required staffing for such Task Force cannot yet be determined.						

RECOMMENDATIONS OF THE BUDGET ANALYST FOR
AMENDMENT OF BUDGET ITEMS
2000-01

Department: BOS - Board of Supervisors

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
2608	005	Temporary Salaries				$0	$31,242	($31,242)
		Transfer the Permanent Salaries - Misc funds identified above to Temporary Salaries since the precise workload of the new Task Force is not yet known and therefore the required staffing for such Task Force cannot yet be determined.						
2608	013	Mandatory Fringe Benefits				20,888	15,578	5,310
		Corresponds to the reduction in Permanent Salaries - Misc.						
2608	049	Other Materials & Supplies				$60,000	$50,000	10,000
		Decrease to reflect reduction for purchase of one server, furnishings and public access space for Sunshine Ordinance Task Force staff.						
		Subtotal Recommmended Reductions - Sunshine Ordinance Task Force						$15,310
		Total Recommended Reductions						$316,585

DEPARTMENT: CAT CITY ATTORNEY

FINANCIAL DATA:

The City Attorney's proposed $40,556,329 budget for FY 2000-01 is $4,408,073 or 12.19 percent more than the original FY 1999-2000 budget of $36,148,256. The net increase from the revised FY 1999-2000 budget is $1,764,999 or 4.55 percent.

SUMMARY OF PROGRAM EXPENDITURES:

Program Expenditures	Fiscal Year 1999-2000 Original	Fiscal Year 1999-2000 Revised	Mayor's Budget Fiscal Year 2000-2001	Proposed Increase (Decrease) From 1999-2000 Original Budget
City Attorney Legal Initiatives	$ 1,300,000	$ 1,300,000	$ -	$ (1,300,000)
Claims	4,812,515	4,812,515	4,045,798	(766,717)
Legal Services	30,035,741	32,678,815	36,510,531	6,474,790
Total Expenditures	$ 36,148,256	$ 38,791,330	$ 40,556,329	$ 4,408,073
Less Work Order Recoveries	(22,734,638)	(25,403,793)	(33,007,015)	(10,272,377)
Net Expenditures	$ 13,413,618	$ 13,387,537	$ 7,549,314	$ (5,864,304)

DEPARTMENT PERSONNEL SUMMARY:

The number of full-time equivalent positions budgeted for FY 2000-01 is 342.01 FTEs, which is 25.61 FTEs more than the 316.40 FTEs in the original FY 1999-2000 budget. The FTE allocations by program are as follows:

Full Time Equivalents	Fiscal Year 1999-2000 Original	Fiscal Year 1999-2000 Revised	Mayor's Budget Fiscal Year 2000-2001	Proposed Increase (Decrease) From 1999-2000 Original Budget
Claims	48.09	48.09	48.09	-
Legal Service	268.31	268.31	293.92	25.61
Total	316.40	316.40	342.01	25.61

Department: CAT CITY ATTORNEY (continued)

DEPARTMENT REVENUES

Department revenues are budgeted to be $0 in FY 2000-01, a decrease from $1,300,000 in FY 1999-00. The FY 1999-00 revenues were one-time revenues from the Bank of America litigation settlement that were appropriated to the Department for new legal initiatives. General Fund support for the City Attorney is budgeted to decrease to $7,549,314, a 37.7 percent decrease in FY 2000-01 compared to the $12,113,618 level of General Fund support in FY 1999-00. This is largely explained by an increase in recoveries of approximately $10.2 million from non General Fund sources for FY 2000-01.

DESCRIPTION

The $4,408,073 in proposed increased expenditures compared to the original FY 1999-00 budget is comprised of the following components:

Increased salary and benefits costs for:	
▫ 11 new positions	$1,127,533
▫ reduced attrition savings	1,217,898
▫ increased temporary salaries	324,820
▫ upward substitutions	32,716
Subtotal: increased salaries and benefits	*$2,702,967*
Increased judgements and claims costs (includes outside counsel)	1,859,207
Increased professional and specialized services	200,000
LAN Upgrade	380,000
Net offsetting reductions	(734,101)
Total	**$4,408,073**

Details of the proposed increases are as follows.

Personnel cost increases

New Positions: Included in the net increase of 25.61 FTEs, the budget contains a request for 8.25 new position FTEs for FY 2000-01, which would equate to 11 FTEs on a full year basis. The positions are requested for increased services at the Airport and Public Utilities Commission. All of the positions have already been added as temporary employees in FY 1999-00.

	Classification	# FTE 2000-01	Salaries & Benefits: 2000-01	Annualized # FTE	Annualized Salaries & Benefits
8178	Senior Atty	3.75	$466,684	5.0	$622,245
8180	Principal Atty	4.50	$660,849	6.0	$881,132
	Total	8.25	$1,127,533	11.00	$1,503,377

Increased temporary salaries: The Department is proposing an increase in its Temporary Salary budget from $210,886 in FY 1999-00 to $508,886 in FY 2000-01, an increase of $298,000. With mandatory fringe benefits, total increased costs would be $324,820. The increased funds would cover the salary costs for the first three months for the 11 proposed new positions for additional legal services for

Department: CAT CITY ATTORNEY (continued)

the Airport and Public Utilities Commission. Temporary salaries are requested for the 11 new positions because the Controller's budget instructions require that new positions be budgeted as .75 FTE each for their first year.

Reduced attrition savings: The Department is proposing reducing its attrition savings from $2,291,285 to $1,327,401, which represents a cost increase of $963,884 in salaries and $250,610 in benefits for a total cost increase of $1,214,494 in FY 2000-01. The Department is proposing this reduction in attrition savings to provide more staffing to meet its increased workload in FY 2000-01. The reduction in attrition savings represents 12.01 additional FTEs for the department.

Position substitutions: The Department is proposing substituting two existing Head Attorney positions with one Confidential Chief Assistant and one Assistant Chief Attorney at an annual cost increase of $32,716 in salaries and benefits.

	Classification	# FTE 2000-01	Salaries and Benefits: 2000-01
8182	Head Attorney	-2	$ (273,290)
AB44	Confidential Chief Assistant	1	$ 155,348
8183	Assistant Chief Attorney	1	$ 150,658
	Total	0	$ 32,716

Non-personnel cost increases

Non personnel cost increases are proposed for rent, which is increasing by 167 percent for the Department's Fox Plaza offices in January 2001, judgements, claims and outside counsel, and computer upgrades.

COMMENT

The Mayor's budget provides an increase of $4,408,073. Our recommended reductions, which total $513,751, would still allow an increase of $3,894,322 or 10.8% in the Department's budget.

Department: CAT - City Attorney

Page No.	Object	Account Title	Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
Legal Services								
2621	001	Permanent Salaries				$24,200,285	24,168,285	*
		* The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.						
2627		Attrition Savings				(1,231,360)	($1,263,360)	$32,000
		This increase in attrition savings would offset the costs of two proposed upward substitutions. Since both of the substitutions already took place in FY 1999-00, without prior Board of Supervisors approval, the department has demonstrated that these increased costs could be absorbed without an increase in its salary budget. Therefore, the Budget Analyst recommends continuing to maintain these positions without an increase in salary and benefits costs.						
2621	005	Temporary Salaries				508,886	258,886	250,000
		This would reduce a portion of the funding used in FY 1999-00 for temporary new staff at the Airport and the Public Utilities Commission in response to approximately $3 million worth of additional legal services requested by those departments. The 11 additional positions are now included as permanent positions in the FY 2000-01 City Attorney budget which reduces the need for continuing to fund temporary salaries at the same level as last year. The full annual cost of the 11 new positions funded is approximately $1,503,377 in salaries and benefits. In addition to these new positions, the City Attorney's budget proposes a reduction in attrition savings which adds another $966,586 to the Department's salary funding.						

Department: CAT - City Attorney

Page No.	Object	Account Title	Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
2621	053	Judgements and Claims				2,759,207	2,626,207	133,000

Reduces amount for outside counsel for potentially pending Business Tax litigation. The court issued a summary judgement in May 2000 in favor of two plaintiffs, General Motors and Eastman Kodak, in a lawsuit concerning the imposition of the City's Business Tax. As a result of that summary judgement, the City Attorney's work on that case changed from a full lawsuit to an appeal of the summary judgement and funding was reduced accordingly, including funding for outside counsel. This recommended reduction of $133,000 proportionately reduces the budget for outside counsel included in the City Attorney's FY 2000-01 budget which assumes full litigation of similar lawsuits against the City's Business Tax filed by five additional plaintiffs. This recommended reduction assumes that these additional lawsuits will not be fully litigated based on the summary judgement in the similar General Motors/Eastman Kodak case. In the event that full litigation does occur, the Department would still have $2,626,207 available in this Judgements and Claims account.

RECOMMENDATIONS OF THE BUDGET ANALYST FOR
AMENDMENT OF BUDGET ITEMS
2000-01

Department: CAT - City Attorney

Page No.	Object	Account Title	Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
2621	060	Equipment Purchase				382,000	$283,249	*
		* The recommended reduction in equipment is the total of the following specific recommendations.						
2628		LAN Upgrade	CT001R			382,000	283,249	98,751
		This amount of $98,751 was erroneously budgeted twice including once in this line item and once in 027 Professional and Specialized Services.						
		Total Recommended Reductions						$513,751

DEPARTMENT: CON CONTROLLER

FINANCIAL DATA:

The Controller's proposed $22,628,956 budget for FY 2000-01 is $1,944,524 or 9.40 percent more than the original FY 1999-2000 budget of $20,684,432. The net increase from the revised FY 1999-2000 budget is $1,944,524 or 9.40 percent.

SUMMARY OF PROGRAM EXPENDITURES:

Program Expenditures	Fiscal Year 1999-2000 Original	Fiscal Year 1999-2000 Revised	Mayor's Budget Fiscal Year 2000-2001	Proposed Increase (Decrease) From 1999-2000 Original Budget
Accounting Operations and Systems	$ 8,413,724	$ 8,413,724	$ 10,181,136	$ 1,767,412
Audits	2,393,759	2,393,759	2,362,996	(30,763)
Management, Analysis, and Reports	3,245,520	3,245,520	4,254,379	1,008,859
Payroll and Personnel Services	6,631,429	6,631,429	5,830,445	(800,984)
Total Expenditures	$ 20,684,432	$ 20,684,432	$ 22,628,956	$ 1,944,524
Less Work Order Recoveries	(1,824,842)	(1,824,842)	(1,967,520)	(142,678)
Net Expenditures	$ 18,859,590	$ 18,859,590	$ 20,661,436	$ 1,801,846

Department: CON - CONTROLLER (continued)

DEPARTMENT PERSONNEL SUMMARY:

The number of full-time equivalent positions budgeted for FY 2000-01 is 164.90 FTEs, which is 3.76 FTEs more than the 161.14 FTEs in the original FY 1999-2000 budget. The FTE allocations by program are as follows:

Full Time Equivalents	Fiscal Year 1999-2000 Original	Fiscal Year 1999-2000 Revised	Mayor's Budget Fiscal Year 2000-2001	Proposed Increase (Decrease) From 1999-2000 Original Budget
Accounting Operations and Systems	55.74	55.74	54.38	(1.36)
Audits	26.87	26.87	26.35	(0.52)
Management, Analysis, and Reports	29.41	29.41	36.07	6.66
Payroll and Personnel Services	49.12	49.12	48.10	(1.02)
Total	161.14	161.14	164.90	3.76

DEPARTMENT REVENUES

Department revenues have increased by $90,200 or 27.9 percent. General Fund support has increased by $1,711,646 or 9.2 percent.

DESCRIPTION

Increased expenditures of $1,944,524 for the Controller's proposed FY 2000-01 budget are due primarily to MOU mandated salary and benefit increases and approximately $450,000 for salaries and benefits related to the creation of seven new positions (5.25 FTE) for a team of management and financial analysts to provide assistance to City departments. This "Citywide Special Projects Team" would, according to the Mayor's proposed budget, be knowledgeable about City processes and practices and able to respond to urgent project needs in lieu of hiring outside consultants. The positions and salary requirements for this initiative are shown in the table on the following page.

Department: CON - CONTROLLER (continued)

Position	Number of Positions	FY 2000-01 FTE	FY 2000-01 Salaries	Annual Salary Expenditure
1369 Special Assistant X	3	2.25	$ 133,283	$ 177,711
1372 Special Assistant XI	3	2.25	163,566	218,088
1374 Special Assistant XV	1	0.75	63,134	84,179
Total	7	5.25	$ 359,983	$ 479,978

COMMENT

The Mayor's budget provides an increase of $1,944,524. Our recommended reductions, which total $75,096, would still allow an increase of $1,869,428 or 9.04% in the Controller's budget.

RECOMMENDATIONS OF THE BUDGET ANALYST FOR
AMENDMENT OF BUDGET ITEMS
2000-01

Department: CON - Controller

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
2637	001	Permanent Salaries-Misc				$ 2,154,113	$ 2,094,513	*
		The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations.						
2646	001	Attrition Savings	9993M			(73,799)	(133,399)	$59,600
		Increase Miscellaneous Attrition Savings in Management, Budget and Analysis program to the level required for current staffing and addition of proposed Citywide Special Projects Team.						
2637	013	Mandatory Fringe Benefits				489,365	473,869	15,496
		Reduction to Mandatory Fringe Benefits corresponding to Reduced Permanent Salaries - Miscellaneous						
		Total Recommended Reductions						$ 75,096

DEPARTMENT: CPC CITY PLANNING

FINANCIAL DATA:

The City Planning Department's proposed $13,599,679 budget for FY 2000-01 is $1,207,086 or 9.74 percent more than the original FY 1999-2000 budget of $12,392,593. The net increase from the revised FY 1999-2000 budget is $863,229 or 6.78 percent.

SUMMARY OF PROGRAM EXPENDITURES:

Program Expenditures	Fiscal Year 1999-00 Original	Fiscal Year 1999-00 Revised	Fiscal Year 2000-2001	From 1999-2000 Original Budget
Long-Range Planning	$3,700,044	$4,057,269	$3,954,352	$254,308
Current Planning	6,608,701	6,595,333	6,588,772	(19,929)
Administration/Planning	2,083,848	2,083,848	2,314,388	230,540
Total Operating Expenditures	$12,392,593	$12,736,450	$12,857,512	$464,919
Capital Projects & Facilities Maint.	0	0	742,167	742,167
Total Expenditures	$12,392,593	$12,736,450	$13,599,679	$1,207,086
Work Order Recoveries	(543,572)	(543,572)	(764,374)	(220,802)
Net Expenditures	$11,849,021	$12,192,878	$12,835,305	$986,284

Department: **City Planning (continued)**

Major expenditure changes from the original FY 1999-00 budget to the proposed FY 2000-01 budget are as follows:

Expenditure	FY 1999-00 Budget	FY 2000-01 Budget	Increase (Decrease)
Permanent Salaries	$8,056,182	$7,971,201	($84,981)
Temporary Salaries	0	$70,000	70,000
Mandatory Fringe Benefits	1,852,456	1,958,623	106,167
Professional & Specialized Services	986,300	1,175,300	189,000
Other Current Expenses	458,698	504,028	45,330
Equipment Purchase	20,000	102,500	82,500
Services of Other Departments	433,809	540,087	106,278
Total	$11,807,445	$12,251,739	$444,294

DEPARTMENT PERSONNEL SUMMARY:

The number of full-time equivalent positions budgeted for FY 2000-01 is 129.76 FTEs, which is 1.64 FTEs less than the 131.40 FTEs in the original FY 1999-2000 budget. The FTE allocations by program are as follows:

Full Time Equivalents	Fiscal Year 1998-99 Original	Fiscal Year 1998-99 Revised	Fiscal Year 2000-2001	From 1999-2000 Original Budget
Long-Range Planning	27.35	27.35	28.85	1.5
Current Planning	88.25	88.25	84.36	-3.89
Administration/Planning	15.8	15.8	16.55	0.75
Totals	**131.4**	**131.4**	**129.76**	**-1.64**

The City Planning Department's budget contains one new position for FY 1999-00, a General Fund supported Transcriber/Typist position to assist the Department in complying with the Sunshine Ordinance.

Department: City Planning (continued)

The City Planning Department's one proposed new position is as follows:

Name	Classification	No. of Positions	Salary at Top Step	Annualized No. of Positions	Total Salaries
Transcriber/Typist	1430	0.75	$31,122	1	$31,122

The Budget Analyst is recommending that this new position be disapproved, due to inadequate justification.

DEPARTMENT REVENUE

Department revenues have increased by $29,269 or 0.32 percent, from $9,091,275 in FY 1999-00 to $9,120,544 in FY 2000-01. General Fund support has increased by $655,394, or 19.9 percent, from $3,301,318 in FY 1999-00 to $3,956,713 in FY 2000-01.

DESCRIPTION

1. According to its FY 2000-01 Work Program, the City Planning Department's strategic budget objectives are as follows:

- Implement planning services that will promote the development of the San Francisco housing stock.
- Implement training efforts to ensure that all new and existing staff is adequately trained and has support to fulfill their role as effectively a possible.
- Direct the use of San Francisco resources to promote compatibility between transportation and land use.

2. The City Planning Department's budget includes an increase of $70,000 in Temporary Salaries, from $0 to $70,000. According to the Department, this increase reflects actual expenditures in past years. The Department uses Temporary Salaries primarily to hire graduate school-level interns to support the Department's increasing workload.

3. The City Planning Department's budget includes an increase of $189,000 in Professional and Specialized Services. According to the Department, this entire increase of $189,000 is budgeted for environmental review work for the Transbay Terminal Study. The Department advises that these costs will be fully funded by the Redevelopment Agency.

Department: **City Planning (continued)**

4. The City Planning Department's budget includes an increase of $82,500, or 400 percent, in Equipment Purchases, from $20,000 to $102,500. A total of $70,000 in new equipment purchases will support the Department's computer replacement program to retire and replace one-sixth the Department's existing personal computer stock by the end of FY 2000-01. According to the Department, the computers to be replaced are out-of-date and insufficient for their needs. In past years, the Department has requested supplemental appropriations to replace old computers. The remaining $32,500 in Equipment Purchases is budgeted to replace the Department's existing passenger van, which was purchased in 1986.

5. The City Planning Department's budget includes 2.33 FTEs of grant-funded positions with annual salaries totaling $150,870. These salaries, mandatory fringe benefits, and other related costs are fully funded from the grant revenues.

6. The City Planning Department's budget continues to fund the Better Neighborhoods 2002 Program, which was initiated in 1999 and is estimated to cost $1.3 million per year for four years. In FY 1999-00, the Board of Supervisors provided $1,260,317 to fund the program. The budget for FY 2000-01 includes an additional $1,191,390 for the program, including $900,000 in Professional and Specialized Services. The goal of the Better Neighborhoods 2002 is to provide neighborhood-wide profiles and planning, which incorporate analyses of land use, transportation, urban design and the real estate market. The City Planning Department is currently developing such profiles and plans for two City neighborhoods: Upper Market/Octavia and the Central Waterfront. The Budget Analyst considers the decision to fund such area plans to be a policy matter for the Board of Supervisors.

7. The Mayor's Office has increased salary Attrition Savings in the Better Neighborhoods 2002 Program by $185,185 for FY 2000-01, from $0 to $185,185.

COMMENT

The Mayor's budget provides an increase of $464,919. Our recommended reductions, which total $122,577, would still allow an increase of $342,342 or 2.8 percent in the Department's budget.

CPC - City Planning

Page No.	Object	Account Title	Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
Long Range Planning (FAH)								
2655	001	Permanent Salaries				$1,329,217	$1,316,265	*
		*The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.						
2663	001	Attrition Savings - Misc.	9993M	0.48	0.67	(32,476)	(45,428)	12,952
		Increase in Attrition Savings to offset the effect of the Department's upward substitution of one position, which would result in increased salary and fringe benefit costs made during previous years, without budgetary approval by the Board of Supervisors. This recommendation will allow the Department to continue to maintain the existing filled positions, at the higher salary and fringe benefit cost, but will not result in additional expenditures for the Department because an offsetting amount will be eliminated from the budget by an increase in Attrition Savings.						
2655	013	Mandatory Fringe Benefits				308,486	305,118	3,368
		Corresponds to reduction in salaries.						
2655	027	Professional and Specialized Services				900,000	900,000*	*
		*The Budget Analyst considers funding for contractual services to develop area plans and profiles of the Upper Market/Octavia and Central Waterfront neighborhoods for the Better Neighborhoods 2002 program to be a policy matter for the Board of Supervisors.						

CPC - City Planning

Page No.	Object	Account Title	Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
Administration/Support (FEF)								
2661	001	Permanent Salaries				$1,074,572	$1,027,482	*
		*The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.						
2671	001	Transcriber Typist	1430	0.75	0	31,242	0	31,242
		To disapprove one requested new Transcriber Typist position to comply with requirements of the Sunshine Ordinance. The Department has not sufficiently justified this new position. The Budget Analyst notes that the amount of work necessary to meet Sunshine Ordinance requirements has not yet been fully determined. Therefore, the Budget Analyst recommends that the Department meet its requirements in FY 2000-01 using existing staff and temporary salaries until a detailed justification for additional staff, tied to additional workload, is formulated. The Department already has one Clerk Typist spending 100% of her time on work related to the Sunshine Ordinance, one Commission Secretary, who dedicates 50% percent of her time, and the equivalent of 1.49 FTEs, or $70,000, in Temporary Salary increases for FY 2000-01.						

CPC - City Planning

Page No.	Object	Account Title	Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
2671	001	Attrition Savings - Misc.	9999M	0.20	0.44	($13,244)	($29,092)	$15,848
		Increase in Attrition Savings to offset the effect of the Department's upward substitution of one position, which would result in increased salary and fringe benefit costs made during previous years, without budgetary approval by the Board of Supervisors. This recommendation will allow the Department to continue to maintain the existing filled positions, at the higher salary and fringe benefit cost, but will not result in additional expenditures for the Department because an offsetting amount will be eliminated from the budget by an increase in Attrition Savings.						
2660	013	Mandatory Fringe Benefits				1,180,555	1,168,312	12,243
		Corresponds to reduction in salaries.						
2661	040	Materials and Supplies				89,300	64,300	25,000
		To reduce request for additional materials and supplies not sufficiently justified. We recommend approval of $64,300 for materials and supplies, or $25,000 more than the FY 1999-00 budget of $39,300.						
Current Planning (FDP)								
2660	001	Permanent Salaries				4,896,680	4,889,201	*
		*The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.						

CPC - City Planning

Page No.	Object	Account Title	Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
2669	001	Attrition Savings - Misc.	9993M	4.94	5.06	($306,445)	($313,924)	$7,479
		Increase in Attrition Savings to offset the effect of the Department's upward substitution of positions, which would result in increased salary and fringe benefit costs made during previous years, without budgetary approval by the Board of Supervisors. This recommendation will allow the Department to continue to maintain the existing filled positions, at the higher salary and fringe benefit cost, but will not result in additional expenditures for the Department because an offsetting amount will be eliminated from the budget by an increase in Attrition Savings.						
2660	013	Mandatory Fringe Benefits				1,180,555	1,178,610	1,945
		Corresponds to reduction in salaries.						
2660	060	Equipment Purchase				102,500	90,000	*
		* The recommended reduction is the total of the following specific recommendations.						
2673	060	Equipment Not Detailed				0	(12,500)	12,500
		To provide funding for one new sedan, instead of the request for one new passenger van included in the FY 2000-01 budget, as requested by the Department.						
		Total Recommended Reductions						$122,577

DEPARTMENT: CSC CIVIL SERVICE COMMISSION

FINANCIAL DATA:

The Civil Service Commission's proposed $768,073 budget for FY 2000-01 is $16,548 or 2.20 percent more than the original FY 1999-00 budget of $751,525. The net increase from the revised FY 1999-00 budget is also $16,548 or 2.20 percent.

SUMMARY OF PROGRAM EXPENDITURES:

Program Expenditures	Fiscal Year 1999-2000 Original	Fiscal Year 1999-2000 Revised	Mayor's Budget Fiscal Year 2000-2001	Proposed Increase (Decrease) From 1999-2000 Original Budget
Civil Service Commission	$ 751,525	$ 751,525	$ 768,073	$ 16,548
Less Work Order Recoveries	(107,533)	(107,533)	(110,718)	(3,185)
Net Expenditures	$ 643,992	$ 643,992	$ 657,355	$ 13,363

DEPARTMENT PERSONNEL SUMMARY:

The number of full-time equivalent (FTE) positions budgeted for FY 2000-01 is 7.04, which is unchanged from the original FY 1999-00 budget. The FTE allocations by program are as follows:

Full Time Equivalents	Fiscal Year 1999-2000 Original	Fiscal Year 1999-2000 Revised	Mayor's Budget Fiscal Year 2000-2001	Proposed Increase (Decrease) From 1999-2000 Original Budget
Civil Service Commission	7.04	7.04	7.04	-
Total	7.04	7.04	7.04	-

Department: **CSC Civil Service Commission (continued)**

DEPARTMENT REVENUES

Department revenues have remained unchanged from the original FY 1999-00 budget of $0. The proposed General Fund support is $657,355, which is an increase of $13,363 or 2.08 percent over the $643,992 General Fund support for the FY 1999-00 original budget.

DESCRIPTION

The increase in Civil Service Commission net expenditures from the FY 1999-00 original budget is $13,363. The net expenditure increase in the proposed budget is related primarily to:

- a $9,114 increase in 081 Services of Other Departments due to increases in Telecommunications and Information Services (TIS) costs directly related to Applications Support, City Wide Services and Special Projects,
- a $7,117 increase in 027 Professional & Specialized Services due to increased funding for Administrative Law Judges, Hearing Officers and Court Reports (totaling $4,000) and Delivery, Contracted and Miscellaneous Expenses (totaling $3,117), and
- a $4,743 net decrease in all other non-personnel expenses.

Personnel: The proposed budget includes no change in full-time equivalent (FTE) positions over the FY 1999-00 original budget. The proposed budget includes salaries and fringe benefits costs of $601,401, a net increase of $1,875 or 4.19 percent over the FY 1999-00 original budget.

COMMENT

The Mayor's budget provides an increase of $16,548 or 2.20 percent. Our recommended reductions, which total $6,624, would still allow an increase of $9,924 or 1.32 percent in the Department's budget.

RECOMMENDATIONS OF THE BUDGET ANALYST FOR
AMENDMENT OF BUDGET ITEMS
2000-01

Department: CSC - Civil Service Commission

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
2675	027	Professional & Specialized Services				$32,124	$25,500	$6,624

The Department has not adequately justified the requested increase for the following costs: Administrative Law Judges and Hearing Officers ($2,000), Court Reporters ($2,000), Other Contracted Services ($1,500) and Other Miscellaneous Expenses ($1,124). The recommended amount of $25,500 is $7,000 greater than the estimated spending of $18,500 for FY 1999-00 and is $493 greater than the FY 1999-00 budget of $25,007.

Total Recommended Reductions $6,624

DEPARTMENT: ETH ETHICS COMMISSION

FINANCIAL DATA:

The Ethics Commission proposed $665,771 budget for FY 2000-01 is $54,840 or 8.98 percent more than the original FY 1999-2000 budget of $610,931. The net increase from the revised FY 1999-2000 budget is $54,840 or 8.98 percent.

SUMMARY OF PROGRAM EXPENDITURES:

Program Expenditures	Fiscal Year 1999-2000 Original	Fiscal Year 1999-2000 Revised	Mayor's Budget Fiscal Year 2000-2001	Proposed Increase (Decrease) From 1999-2000 Original Budget
Ethics Commission	$ 610,931	$ 610,931	$ 665,771	$ 54,840
Total Expenditures	$ 610,931	$ 610,931	$ 665,771	$ 54,840

DEPARTMENT PERSONNEL SUMMARY:

The number of full-time equivalent positions budgeted for FY 2000-01 is 6.89 FTEs, which is unchanged from the original FY 1999-2000 budget. The FTE allocations by program are as follows:

Full Time Equivalents	Fiscal Year 1999-2000 Original	Fiscal Year 1999-2000 Revised	Mayor's Budget Fiscal Year 2000-2001	Proposed Increase (Decrease) From 1999-2000 Original Budget
Ethics Commission	6.89	6.89	6.89	-
Total	6.89	6.89	6.89	-

Department: **ETH ETHICS COMMISSION (continued)**

DEPARTMENT REVENUES

Department revenues have increased by $38,090 or 115 percent, due to the increase in the number of candidates running for election in the next fiscal year and the expectation that additional lobbyists and campaign consultants will pay additional fees and fines. General Fund support has only increased by $16,750 or 2.9 percent.

DESCRIPTION

Although there are no changes in the number of positions, the upward substitution of three positions as well as step and cost of living adjustments result in additional salary and fringe benefit expenditures of $32,769. In addition, the Ethics Commission will be moving from Fox Plaza to 30 Van Ness, as of December 1, 2000, resulting in additional rental, tenant improvements, moving, computer and furniture expenses totaling $88,846. Offsetting some of these additional expenditures will be reductions in the Services of Other Departments.

On May 15, 2000, the Ethics Commission approved a Charter Amendment to place on the November 7, 2000 ballot, which would provide limited public financing for Board of Supervisors candidates who raise at least $7,500. The Budget Analyst notes that on April 24, 2000, the Board of Supervisors did not approve similar campaign finance reform ordinances (Files 00-0328, 00-0685 and 00-0687). If the proposed Charter Amendment is approved by the San Francisco voters on November 7, 2000, this Charter Amendment would take effect on January 1, 2001. The Ethics Commission advises that under the proposed Charter Amendment, the City's General Fund costs would be limited to $2 per year per resident in San Francisco, or approximately $1,600,000 annually (approximately 800,000 residents x $2). The annual approximately $1,600,000 includes funds to pay for the public financing of the Board of Supervisors candidates and includes approximately $350,000 annually for administrative support for the Ethics Commission. Funding for such additional General Fund expenses are not included in the proposed FY 2000-01 budget and would therefore require a separate supplemental appropriation, if the proposed Charter Amendment is approved.

COMMENT

The Mayor's budget provides an increase of $54,840. Our recommended reductions, which total $30,752, would still allow an increase of $24,088 or 3.94% in the Department's budget.

RECOMMENDATIONS OF THE BUDGET ANALYST FOR
AMENDMENT OF BUDGET ITEMS
2000-01

Department: ETH - Ethics Commission

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
2681	001	Permanent Salaries				$375,888	$374,373	*
		* The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.						
682	9993M	Attrition Savings -Misc				(5,773)	(7,288)	$1,515
		Increase Attrition Savings - Misc to offset the effect of the Department's upward substitution of positions that would result in increased salary and fringe benefit costs made during the past year, without budgetary approval by the Board of Supervisors. This recommendation will enable the Department to continue to maintain the existing filled positions at the higher salary and fringe benefit cost, but will not result in additional expenditures for the Department because an offsetting amount will be eliminated from the budget by this increase in attrition savings.						
681	013	Mandatory Fringe Benefits				97,402	97,165	237
		Corresponds to the reduction in Permanent Salaries - Misc.						

Department: ETH - Ethics Commission

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
2681	035	Other Current Expenses				$111,900	$106,900	$5,000
		Reduce to reflect actual increase in rent costs for move of administrative offices from Fox Plaza to 30 Van Ness effective December 1, 2000.						
2681	040	Materials & Supplies Budget				27,949	3,949	24,000
		Reduce to eliminate $24,000 of new furnishings, because (1) visual inspection of existing Ethics Commission furnishings indicates that there is currently more than sufficient furniture available for staff and (2) lack of detailed cost justification of proposed new furnishings.						
		Total Recommended Reductions						$30,752

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS 2000-01

DEPARTMENT: HRD HUMAN RESOURCES

FINANCIAL DATA:

The Department of Human Resources proposed $87,077,230 budget for FY 2000-01 is $8,626,416 or 11.00 percent more than the original FY 1999-00 budget of $78,450,814. The net increase from the revised FY 1999-00 budget is $8,185,814 or 10.38 percent.

SUMMARY OF PROGRAM EXPENDITURES:

Program Expenditures	Fiscal Year 1999-2000 Original	Fiscal Year 1999-2000 Revised	Mayor's Budget Fiscal Year 2000-2001	Proposed Increase (Decrease) From 1999-2000 Original Budget
Administration	$ 3,111,484	$ 3,111,484	$ 3,495,429	$ 383,945
Employee Relations	2,275,027	2,714,629	3,109,612	834,585
Equal Employment Opportunity	660,543	660,543	681,573	21,030
Health Service System	6,497,780	6,497,780	6,233,333	(264,447)
Mgmt. & Employee Dvlpt. W/O	519,785	519,785	434,662	(85,123)
Management Information Systems	2,175,900	2,175,900	4,684,266	2,508,366
Merit Service System	3,313,190	3,314,190	3,236,707	(76,483)
Workers Compensation	59,897,105	59,897,105	65,201,648	5,304,543
Total Expenditures	$ 78,450,814	$ 78,891,416	$ 87,077,230	$ 8,626,416
Less Work Order Recoveries	(62,375,844)	(62,376,844)	(67,289,374)	(4,913,530)
Net Expenditures	$ 16,074,970	$ 16,514,572	$ 19,787,856	$ 3,712,886

Department: HRD HUMAN RESOURCES (continued)

DEPARTMENT PERSONNEL SUMMARY:

The number of full-time equivalent positions budgeted for FY 2000-01 is 210.64 FTEs, which is 1.29 FTEs more than the 209.35 FTEs in the original FY 1999-00 budget. The FTE allocations by program are as follows:

	Fiscal Year 1999-2000		Mayor's Budget Fiscal Year	Proposed Increase (Decrease) From 1999-2000
Full Time Equivalents	Original	Revised	2000-2001	Original Budget
Administration	24.50	24.50	29.16	4.66
Employee Relations	17.15	17.15	15.78	(1.37)
Equal Employment Opportunity	8.99	8.99	8.98	(0.01)
Health Service System	55.03	55.03	56.78	1.75
Mgmt. & Employee Dvlpt. W/O	6.48	6.48	5.48	(1.00)
Management Information System	16.92	16.92	16.05	(0.87)
Merit Service System	38.79	38.81	34.62	(4.17)
Workers Compensation	41.49	41.49	43.79	2.30
Total	209.35	209.37	210.64	1.29

DEPARTMENT REVENUES

Department revenues have remained unchanged from the original FY 1999-00 budget of $0. The proposed General Fund support is $19,787,856, which is an increase of $3,712,886 or 23.10 percent over the $16,074,970 General Fund support for the FY 1999-00 original budget.

Department: **HRD HUMAN RESOURCES (continued)**

Description

The net increase in the Human Resources Department's expenditures from the FY 1999-00 original budget is $8,626,416. The net increase is due to the following:

- a $5,304,543 increase in Workers Compensation costs including:
  - $4,028,898 increase in Insurance costs,
  - $ 861,411 increase for the Workers Compensation 'Best Practices' Project, which is intended to provide a comprehensive, coordinated approach to claims administration for all City departments and to ensure consistency in this regard with the third-party administrator (TPA) (See also Comments 1, 2 & 3 below.),
  - $ 163,576 increase in rental costs,
  - $ 80,367 increase pertaining to lower interdepartmental recoveries for associated Workers Compensation personnel costs, and
  - $ 170,291 increase pertaining to personnel cost of living adjustments and other miscellaneous expenses;
- a $1,887,256 increase pertaining to the PeopleSoft Project, which is the City's Human Resource Management System, including the new benefits administration functionality and licensing costs. This increase will permit the replacement of the antiquated Membership Accounting System currently used to manage the over 112,000 members enrolled in the City's various health plans. This project will automate processing and maintenance of membership related events (e.g., enrollment, eligibility, premium calculations, and COBRA);
- a $939,073 increase in employee relations costs pertaining to the projected increase in employment contracts that are up for collective bargaining next year; and
- a $495,544 net increase in all other expenses including a cost of living adjustment for personnel costs.

Personnel: The proposed budget includes an increase of 1.29 full-time equivalent (FTE) positions over the FY 1999-00 original budget. The proposed budget includes salaries and fringe benefits costs of $14,688,170, a net increase of $574,603 or 4.07 percent over the FY 1999-00 original budget.

- The net increase in 1.29 FTEs is the result of 3 new positions requested in the Mayor's budget (an increase of 2.25 FTEs), annualization of the previous year's new positions (an increase of 1.75 FTEs), a net decrease due to position substitutions (a decrease of 1.77 FTEs), and a net decrease of 0.94 in existing FTE positions due to the elimination of a 1237 Training Coordinator position and changes to attrition / salary savings.

Department: **HRD HUMAN RESOURCES (continued)**

- The three proposed new positions are all related to the Workers Compensation program and include the following:

  6139 Senior Industrial Hygienist at a projected annual salary and fringe cost of $99,555
  8165 Workers Compensation Supervisor I at a projected annual salary and fringe cost of $73,895
  1374 Special Assistant XV at a projected annual salary and fringe cost of $112,337

COMMENTS

1. The Workers Compensation 'Best Practices' Project is projected to save the City in the range of $25 million (including savings to Muni) over the next five years by decreasing the rate of growth in claims cost according to the Department. The 'Best Practices' Project refers to the implementation of coordinated framework and intervention strategies based on generally accepted best practices of both public and private entities including:

   - Preventing injury,
   - Providing appropriate medical care,
   - Ensuring early intervention for disability management for injured workers,
   - Facilitating a safe and speedy return to work for injured workers through temporary modified-duty work assignments, whenever possible, even though physical restriction may exist,
   - Providing training and education for all employees to achieve program success, and
   - Setting goals and objectives, measuring results, and continuously improving processes.

2. According to the Department the work responsibilities of the requested new 1374 Special Assistant XV position related to the 'Best Practices' Project will be completed in approximately 3 years. The position will report directly to the Workers Compensation Council, which is comprised of the following members: Director of Human Resources (Chair), Controller, Mayor's Office Deputy Chief of Staff, City Administrator, Executive Director of the Retirement System, and City Attorney.

3. The Budget Analyst notes that a recommendation included in the April 13, 2000 report of the Workers Compensation Council states that as a result of having both TPA and in-house claims management, 'the current split is more expensive because of duplication of efforts' and goes on to report Tillinghast-Towers Perrin's (the City's workers compensation consultant) recommendation that the City consider adopting either a complete TPA or in-house arrangement.

4. The Mayor's budget provides an increase of $8,626,416. Our recommended reductions, which total $1,370,174, would still allow an increase of $7,256,242 or 9.25 percent in the Department's budget.

RECOMMENDATIONS OF THE BUDGET ANALYST FOR
AMENDMENT OF BUDGET ITEMS
2000-01

Department: HRD - Human Resources

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
Employee Relations								
2692	035	Other Current Expenses				$ 250,000	$ 51,750	$ 198,250
		Reduce to FY 1999-00 budget level adjusted by a cost of living factor for FY 2000-01.						
2692	040	Materials & Supplies				20,000	10,350	9,650
		Reduce to FY 1999-00 budget level adjusted by a cost of living factor for FY 2000-01.						
2692	053	Judgements & Claims				158,250	0	158,250
		Reduce as Judgements and Claims funding is already budgeted in General City Responsibility.						
2692	081	Services of Other Departments				1,098,522	546,168	552,354
		Reduce to FY 1999-00 budget level adjusted by a cost of living factor for FY 2000-01.						
Health Service System								
2705	040	Materials & Supplies				275,789	21,218	254,571
		Reduce to FY 1999-00 budget level adjusted by a cost of living factor for FY 2000-01.						
Management Information System								
2698	027	Professional and Specialized Services				299,765	289,557	10,208
		Reduce to FY 1999-00 budget level adjusted by a cost of living factor for FY 2000-01.						
2698	049	Other Materials & Supplies				50,000	0	50,000
		The Department has not adequately justified the requested 12 additional computer workstations budgeted at $50,000 or $4,167 per workstation because these requested 12 computer workstations would simply replace computers that are already technologically adequate for project system requirements.						

Department: HRD - Human Resources

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
Workers Compensation								
2702	001	Permanent Salaries				$ 2,113,552	$ 2,004,908	
		The recommended reduction in Permanent Salaries - Misc is the total of the following specific recommendations regarding individual classifications						
2716	001	Senior Industrial Hygienist	6139	0.75	0.00	59,259	0	59,259
		Disapprove one new Senior Industrial Hygienist position at an annualized salary and fringe benefit cost of $99,555 since the responsibility of this position substantially duplicates what should already be the responsibility of management in each of the City's respective departments. The Human Resources Department proposes this position to assist in implementation of a citywide safety oversight program. The objectives are to centralize citywide leadership for guidance and program development, report on goals, objectives and results; and develop the necessary training to support the City's Workers Compensation philosophy and policies. The aforementioned is already the responsibility of City department management, and this new position does not appear to provide offsetting cost savings. Moreover, the April 13, 2000 report of the Workers Compensation Council states that '[a]lthough safety oversight is a responsibility of the WCD [Workers Compensation Division], the accountability for safety program implementation should remain at the individual CCSF department level.' While the Department of Human Resources does not currently have any Industrial Hygienist positions, larger departments like Muni, Public Health and Parking & Traffic all have Industrial Hygienist and/or Safety personnel, totaling 24.5 FTEs for these three departments. Furthermore, the Department already has four 8165 Workers Compensation Supervisor I positions and one 8166 Workers Compensation Supervisor II position. The ratio of supervisors to actual claims-paying staff is already low at one supervisor to six staff. We are however recommending approval of one of the three new positions requested for the Workers Compensation area, namely one Limited-Tenure 1374 Special Assistant XV at an annual salary and fringe benefit cost of $112,337						

RECOMMENDATIONS OF THE BUDGET ANALYST FOR
AMENDMENT OF BUDGET ITEMS
2000-01

Department: HRD - Human Resources

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
2716	001	Workers Compensation Supervisor I	8165	0.75	0.00	$ 43,985	$ 0	$ 43,985

Disapprove one new Workers Compensation Supervisor I position at an annualized salary and fringe benefit cost of $73,895. The April 13, 2000 report of the Workers Compensation Council stated that '[i]f current trends continue, claim costs will increase 10% to 15% a year for the next several years.' In the same report, the Council states '[g]rowth in workers compensation costs decreased substantially. Costs increased by approximately 4% this fiscal year, compared to growth of 15% the previous year.' Given this recent shift, in addition to increased departmental attention, including an increase in return-to-work opportunities in departments such as Muni, Police, Recreation & Park and Parking and Traffic, workers compensation costs appear to be growing at a rate lower than what was actuarially projected. Moreover, the Council's report also states that as a result of having both a third-party administrator (TPA) and in-house claims management, 'the current split is more expensive because of duplication of efforts.' Tillinghast-Towers Perrin is the City's workers compensation consultant and has been paid a total of $298,900 during the current fiscal year according to the Department. Tillinghast-Towers Perrin has recommended that the City consider adopting either a complete third-party administrator (TPA) or an in-house arrangement. In light of these findings, adding this new Workers Compensation Supervisor I position at this time appears unwarranted. Furthermore, the Department already has four 8165 Workers Compensation Supervisor I positions and one 8166 Workers Compensation Supervisor II position. The ratio of supervisors to actual claims-paying staff is already low at one supervisor to six staff. We are however recommending approval of one of the three new positions requested for the Workers Compensation area, namely one Limited-Tenure 1374 Special Assistant XV at an annual salary and fringe benefit cost of $112,337.

2716	001	Attrition Savings - Misc.	9993M	(3.45)	(3.50)	(182,196)	(187,596)	5,400

Increase attrition savings to actual FY1999-00 expenditure levels.

2702	013	Mandatory Fringe Benefits				551,735	523,488	28,247

Corresponds to reduction in salaries.

2717	001	Special Assistant XV	1374N	0.75	0.00	67,125	0	67,125
		Special Assistant XV	1374L	0.00	0.75	0	67,125	(67,125)

Approve one new 0.75 FTE as 'L' or Limited Tenure to assist the City in its workers compensation efforts. Based on the Department's representation that the work responsibilities related to this position will be completed in approximately three years, this position should be made an 'L' or Limited-Tenure position.

Total Recommended Reductions **$ 1,370,174**

DEPARTMENT: MYR MAYOR

FINANCIAL DATA:

The Mayor's proposed $66,902,237 budget for FY 2000-01 is $4,895,942 or 7.90 percent more than the original FY 1999-2000 budget of $62,006,295. The net increase from the revised FY 1999-2000 budget is $3,018,611 or 4.73 percent.

SUMMARY OF PROGRAM EXPENDITURES:

Program Expenditures	Fiscal Year 1999-2000 Original	Fiscal Year 1999-2000 Revised	Mayor's Budget Fiscal Year 2000-2001	Proposed Increase (Decrease) From 1999-2000 Original Budget
Assistance & Neighborhood Outreach	$ 1,631,451	$ 1,531,451	$ 1,573,437	$ (58,014)
City Administration	4,254,872	4,674,363	5,207,246	952,374
Community Development	26,991,788	28,851,433	33,130,000	6,138,212
Criminal Justice	4,188,872	3,887,067	3,996,618	(192,254)
Finance & Legislative Affairs	840,392	840,392	832,823	(7,569)
Grants for the Arts	14,230,867	14,230,867	15,029,927	799,060
Neighborhood Beautification	679,128	679,128	727,852	48,724
Office of Emergency Service	578,950	578,950	657,822	78,872
Waterfront Transportation	-	-	-	-
Moscone Expansion Project	5,409,975	5,409,975	5,746,512	336,537
Gay/Lesbian Community Center	3,200,000	3,200,000	-	(3,200,000)
Total Expenditures	$ 62,006,295	$ 63,883,626	$ 66,902,237	$ 4,895,942
Less Work Order Recoveries	(956,797)	(1,080,384)	(1,371,159)	(414,362)
Net Expenditures	$ 61,049,498	$ 62,803,242	$ 65,531,078	$ 4,481,580

Department: MYR MAYOR (continued)

DEPARTMENT PERSONNEL SUMMARY:

The number of full-time equivalent positions budgeted for FY 2000-01 is 148.78 FTEs, which is 3.51 FTEs more than the 145.27 FTEs in the original FY 1999-2000 budget. The FTE allocations by program are as follows:

Full Time Equivalents	Fiscal Year 1999-2000 Original	Fiscal Year 1999-2000 Revised	Mayor's Budget Fiscal Year 2000-2001	Proposed Increase (Decrease) From 1999-2000 Original Budget
Assistance & Neighborhood Outreach	15.23	15.23	16.48	1.25
City Administration	31.28	31.28	31.75	0.47
Community Development	71.00	71.00	72.00	1.00
Criminal Justice	6.94	6.94	7.38	0.44
Finance & Legislative Affairs	9.21	9.21	8.42	(0.79)
Grants For the Arts	4.00	4.00	4.75	0.75
Neighborhood Beautification	2.00	2.00	2.00	-
Office of Emergency Service	5.61	5.61	6.00	0.39
Total	145.27	145.27	148.78	3.51

DEPARTMENT REVENUES

Department revenues have increased by $7,040,378 or 13.75 percent. General Fund support has decreased by $2,558,798 or 26.0 percent. The majority of the increase in revenues relates to increases from Federal grants ($4,580,852 for Community Development) and increases in the Hotel Room Tax ($882,942) for the Grants for the Arts.

DESCRIPTION

The major increases in the Mayor's Office budget for FY 2000-01 include (1) an increase of $314,340 for City Administration (1.2% increases over FY 1999-00 budget), (2) an increase of $336,537 (6.2% increase over FY 1999-00 budget) for Low Income Housing, (3) $799,060 (5.6% increase over FY 1999-00 budget) for Grants for the Arts, and (4) $4,402,154 (16.3% increase over FY 1999-00 budget) for Community Development.

Additionally, the proposed budget includes one new 1363 Special Assistant IV (0.75 FTE) for the Film Office, one new 1364 Special Assistant V (0.75 FTE) for Assistance & Neighborhood Outreach, and one new 1367 Special Assistant VIII (0.75 FTE) for Grants for the Arts.

Department: **MYR MAYOR (continued)**

COMMENT

The Mayor's budget provides an increase of $4,895,942. Our recommended reductions, which total $10,810, would still allow an increase of $4,885,132 or 7.88 % in the Department's budget.

RECOMMENDATIONS OF THE BUDGET ANALYST FOR
AMENDMENT OF BUDGET ITEMS
2000-01

Department: Mayor's Office

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
FEA		City Administration - Work Order						
757	001	Permanent Salaries - Misc				$478,298	$468,732	*
		*The recommended reduction in Permanent Salaries - Misc is the total of the following specific recommendations regarding individual classifications.						
780	001	Attrition Savings - Misc.	9993M			0	(9,566)	$9,566
		Add Attrition Savings at an estimated 2 percent. Currently, no Attrition Savings are budgeted.						
757	013	Mandatory Fringe Benefits				113,764	112,520	1,244
		Corresponds to reduction in Permanent Salaries - Misc.						
		Total Recommended Reductions						$10,810

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2000-01

DEPARTMENT: REG ELECTIONS

FINANCIAL DATA:

The Department of Elections' proposed $10,051,234 budget for FY 2000-01 is $5,517,716 or 121.71 percent more than the original FY 1999-2000 budget of $4,533,518. The net increase from the revised FY 1999-2000 budget is $3,227,619 or 47.30 percent.

SUMMARY OF PROGRAM EXPENDITURES:

Program Expenditures	Fiscal Year 1999-2000 Original	Fiscal Year 1999-2000 Revised	Mayor's Budget Fiscal Year 2000-2001	Proposed Increase (Decrease) From 1999-2000 Original Budget
Elections	$ 4,533,518	$ 6,823,615	$ 10,051,234	$ 5,517,716
Less Work Order Recoveries	(78,115)	(78,115)	(91,665)	(13,550)
Net Expenditures	$ 4,455,403	$ 6,745,500	$ 9,959,569	$ 5,504,166

DEPARTMENT PERSONNEL SUMMARY:

The number of full-time equivalent positions budgeted for FY 2000-01 is 40.72 FTEs, which is 8.76 FTEs more than the 31.96 FTEs in the original FY 1999-2000 budget. The FTE allocations by program are as follows:

Full Time Equivalents	Fiscal Year 1999-2000 Original	Fiscal Year 1999-2000 Revised	Mayor's Budget Fiscal Year 2000-2001	Proposed Increase (Decrease) From 1999-2000 Original Budget
Elections	31.96	48.28	40.72	8.76
Total	31.96	48.28	40.72	8.76

Department: **REG ELECTIONS (continued)**

DEPARTMENT REVENUES

Department revenues have increased by $352,590 or 99.7 percent and General Fund support of $9,253,169 has increased by $5,151,576 or 125.6 percent. Revenues are increasing in order to purchase and implement the new optical scan vote count system as well as to provide for additional costs to establish a proactive outreach program to educate voters and answer voter questions about changes in election procedures related to the change from a city-wide at-large election to district elections for the Board of Supervisors' November 2000 election.

DESCRIPTION

The Elections Department is requesting the addition of one 1376 Special Assistant XVII at 0.75 FTE for FY 2000-01 resulting in a $66,126 increased salary expense for this position. This position, which would be hired as the Deputy Registrar of the Department of Elections, would annualize to 1.0 FTE with an annual salary at top step of $104,062. Additionally, the department is requesting an increase of 7.37 FTE ($346,387) in Temporary Salaries, from 18.02 FTE ($846,576) in FY 1999-00 to 25.39 FTE ($1,192,963) in FY 2000-2001. The majority of this increase in Temporary Salaries ($325,000) is requested for the Election Services Project that is intended to ensure successful implementation of the new optical scan vote count system.

The major items making up the expenditure increase requested of $5,517,716 include:

- $3,249,739 (58.9%) for the purchase of the new optical scan vote count system.
- $1,003,416 (18.2%) for the Election Services Project that is intended to ensure successful implementation of the new optical scan vote count system.
- $969,013 (17.6%) for additional expenditures related to the ballots for the new optical scan vote count system.

Department: **REG ELECTIONS (continued)**

COMMENTS

1. The FY 2000-01 budget includes expenditures for the November 2000 general election and for a December 2000 run-off election. The original FY 1999-00 budget included expenditures for the November 1999 election and the March 2000 election. A Supplemental Appropriation for $1,482,730 was approved in March 2000 to provide the Department with additional funding to cover overexpenditures resulting primarily from the requirement for a December 1999 Mayoral and District Attorney run-off election. In total, there were three elections in FY 1999-00. For FY 2000-01, two elections are scheduled.

2. The Mayor's budget provides an increase of $5,517,716. Our recommended reductions, which total $110,426, would still allow an increase of $5,407,290 or 119.27% in the Department's budget.

RECOMMENDATIONS OF THE BUDGET ANALYST FOR
AMENDMENT OF BUDGET ITEMS
2000-01

Department: REG - Elections

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
2791	001	Permanent Salaries - Misc.				$ 1,007,095	$940,969	*
		* The recommended reduction in Permanent Salaries--Misc. is the total of the following specific recommendations regarding individual classification.						
2794	001	Special Assistant XVII	1376N	0.75	0	66,126	0	66,126

To disapprove the addition of a 0.75 Special Assistant XVII. The Department has not justified the addition of one new Deputy Registrar position which has an annual salary of $104,062 for the Department of Elections. In addition to the Director of Elections, the Department currently has four Division Managers and 10 permanent staff. We are, however, recommending approval of 7.00 new FTE for temporary positions, totaling $328,857, resulting in 25.02 FTE total temporary positions. Most of the new temporary positions (6.92 FTE) are designated for the Election Services Project which will implement the new optical scan vote count system. The Budget Analyst does not believe the addition of a second full-time high-level position with job duties that are similar to those of the Director of Elections is justified. The Department has stated that a Deputy Director is needed to oversee the operation and administration of the department and further states that the new Deputy is needed "if something happens to the Department of Elections Director, [since] no one is trained to step into the position and effectively run and certify an election. We disagree with this justification. The Director of Elections can deputize one of the four Division Managers during an election so that there is a Deputy if "something happens to the Department of Elections Director."

Additionally, the new optical scan vote count system, which is being purchased at a cost of over $3.2 million, is intended make the election process less staff intensive in future years. Although the implementation of the new system may require some additional focus by the Director of Elections in the current year, as noted above, the current budget includes temporary salaries which total $112,000 to provide 2400 hours of Special Assistant XVI-level staff for project management related to the implementation of the new system.

RECOMMENDATIONS OF THE BUDGET ANALYST FOR
AMENDMENT OF BUDGET ITEMS
2000-01

Department: REG - Elections

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
2791	005	Temporary Salaries		18.47	18.1	$867,963	$850,433	$17,530
		Reduce to reflect actual salary rates of 1000 hours @ $20.62 and 611 hours @$19.37 as the department reports is needed for the Voter Information Pamphlet Initiative						
2791	013	Mandatory Fringe Benefits				258,777	240,007	18,770
		Corresponds to the reduction in salaries.						
2796	6061	Data Processing Equipment				3,249,739	3,241,739	8,000
		To reduce the cost of the vote count system to the total of the contract award granted to Election Systems and Software, Inc., inclusive of sales tax.						
		Total Recommended Reductions						$110,426

DEPARTMENT: RET RETIREMENT SYSTEM

FINANCIAL DATA:

The Retirement System's proposed $13,682,067 budget for FY 2000-01 is $977,442 or 7.69 percent more than the original FY 1999-2000 budget of $12,704,625. The net increase from the revised FY 1999-2000 budget is $977,442 or 7.69 percent.

SUMMARY OF PROGRAM EXPENDITURES:

Program Expenditures	Fiscal Year 1999-2000 Original	Fiscal Year 1999-2000 Revised	Mayor's Budget Fiscal Year 2000-2001	Proposed Increase (Decrease) From 1999-2000 Original Budget
Administration	$ 867,229	$ 867,229	$ 896,709	$ 29,480
Employment Deferred Comp Plan	150,000	150,000	397,299	247,299
Investments	1,212,491	1,212,491	1,298,623	86,132
Retirement Services	10,474,905	10,474,905	11,089,436	614,531
Total Expenditures	$ 12,704,625	$ 12,704,625	$ 13,682,067	$ 977,442

DEPARTMENT PERSONNEL SUMMARY:

The number of full-time equivalent positions budgeted for FY 2000-01 is 71.70 FTEs, which is 3.36 FTEs more than the 68.34 FTEs in the original FY 1999-2000 budget. The FTE allocations by program are as follows:

Full Time Equivalents	Fiscal Year 1999-2000 Original	Fiscal Year 1999-2000 Revised	Mayor's Budget Fiscal Year 2000-2001	Proposed Increase (Decrease) From 1999-2000 Original Budget
Administration	6.00	6.00	6.00	-
Employee Deferred Compensation	1.00	1.00	1.00	-
Investments	12.29	12.29	12.84	0.55
Retirement Services	49.05	49.05	51.86	2.81
Total	68.34	68.34	71.70	3.36

Department: **RET RETIREMENT SYSTEM (continued)**

DEPARTMENT REVENUES

Department revenues have increased by $730,143 or 5.75 percent and General Fund support increased from zero to $247,299.

DESCRIPTION

The proposed Retirement System Budget for FY 2000-01 has increased by $977,442. Major increases include the following:

1. The budget for Salaries and Benefits has increased $324,594 or 6.26 percent from $5,184,713 in FY 1999-00 to $5,509,307 in FY 2000-01. 90 percent of this increase is represented by the department's request for 5.25 new FTE positions totaling $291,536 in salaries and fringe benefits, with the remainder representing annual salary increases and miscellaneous changes. New positions include:

   - 1.5 new FTE for Microphoto/Imaging Technicians to continue the conversion of hard copy documents to computer discs. The annualized cost for each of these 2 new FTE for Permanent Salaries and Fringe Benefits is $41,765 at the top step.

   - 1.5 new FTE for Assistant Retirement Analysts to implement the pre-tax buyback option to retirement system members. The annualized cost for each of these 2 new FTE for Permanent Salaries and Fringe Benefits is $68,370 at the top step.

   - 0.75 new FTE for a Senior Administrative Analyst to provide functional and procedural oversight of all processing tasks associated with retirement services. The annualized cost for this new position for Permanent Salaries and Fringe Benefits is $84,747 at the top step.

   - 0.75 new Security Analyst to implement the Retirement Board direction that alternative investments be increased from a current target of 9 percent to 12 percent. The annualized cost for this new position for Permanent Salaries and Fringe Benefits is $47,060 at the top step.

   - 0.75 new Secretary for the Investment Division to maintain all files relating to limited partnership investments over the life of the partnership. This position is being added by the Mayors Office as a Technical Adjustment. The annualized cost for this new position for Permanent Salaries and Fringe Benefits is $57,748.

2. Non-Labor costs have increased by $332,737 or 21.5 percent from $1,550,346 to $1,883,083, primarily related to an increase of $325,000 for outside legal services related to final compensation issues related to retirement benefits.

Department: **RET RETIREMENT SYSTEM (continued)**

3. The Retirement's request for Equipment in FY 2000-01 is $119,667 for additional and/or replacement computer equipment. This is $209,168 or 63.6 percent decrease from the FY 1999-00 budget of $328,835.

4. The budget for Services of Other Departments has increased in FY 2000-01 by $529,279 or 9.4 percent from $5,640,731 in FY 1999-00 to $6,170,010 in FY 2000-01. Of the $529,279 increase in Services of Other Departments, $485,352 or 92 percent represents increased services from the City Attorney and Department of Telecommunications and Information Services.

COMMENTS

1. Based on the justification provided, we are recommending approval of 4.50 FTEs of the 5.25 requested new positions shown on the prior page. We are recommending disapproval of 0.75 FTE, a Senior Administrative Analyst as explained on the following page.

2. The Mayor's budget provides an increase of $977,442. Our recommended reductions, which total $323,980, would still allow an increase of $653,462 or 5.1% in the Department's budget.

Department: RET - Retirement System

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
Employee Deferred Compensation Plan (EDC)								
Retirement Services (EDD)								
2801	001	Permanent Salaries - Misc				$ 2,585,543	$ 2,533,716	*
		*The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.						
2805	001	Senior Administrative Analyst	1823N	0.75	0.00	51,827	0	51,827
		The department has not adequately justified this position which has an annual salary of $67,260. The department states that this position will be used to provide functional and procedural oversight of all processing tasks associated with retirement services. The Budget Analyst notes that the department presently has 2 Senior System Accountants Additionally, we are recommending approval of 4.50 of the requested 5.25 new positions as listed on the prior page.						
2801	005	Temporary Salaries-Misc.				219,890	99,364	120,526
		Reduce temporary salaries to reflect transfer of four positions funded in FY 1999-00 in Temporary Salaries to Permanent Salaries. The proposed reduction of $120,526 represents the difference between the full year funding for these positions and the amount that the department had already reduced Temporary Salaries by of $54,291.						

RECOMMENDATIONS OF THE BUDGET ANALYST FOR
AMENDMENT OF BUDGET ITEMS
2000-01

Department: RET - Retirement System

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
2801	013	Mandatory Fringe Benefits				$ 679,024	$ 654,702	$ 24,322
		Corresponds to reductions in Temporary Salaries.						
801	027	Professional & Specialized Services				901,100	791,100	110,000
		The proposed budget includes request for $150,000 for actuarial services and $300,000 for outside medical expenses. During FY 1999-00, the Department will expend approximately $316,000 for these items. Our proposed reduction of $110,000 for these two items will still leaves the department with $340,000, which is $24,000 more than will be spent during FY 1999-00.						
801	081	Services of Other Department				5,853,890	5,836,585	17,305
		The proposed budget includes $59,800 for Workers Compensation Costs. However, the Department of Human Resources estimates that only $42,495 is needed for FY 2000-01. The revised budget of $42,495 is still greater than the Department of Human Resources estimated expenditures for Workers Compensation in FY 1999-00 of $41,754.						
		Total Recommended Reductions						$ 323,980

DEPARTMENT: TTX TREASURER/TAX COLLECTOR

FINANCIAL DATA:

The Treasurer/Tax Collector's proposed $20,877,545 budget for FY 2000-01 is $4,732,166 or 29.31 percent more than the original FY 1999-2000 budget of $16,145,379. The net increase from the revised FY 1999-2000 budget is $4,732,166 or 29.31 percent.

SUMMARY OF PROGRAM EXPENDITURES:

Program Expenditures	Fiscal Year 1999-2000 Original	Fiscal Year 1999-2000 Revised	Mayor's Budget Fiscal Year 2000-2001	Proposed Increase (Decrease) From 1999-2000 Original Budget
Department Management	$ 1,762,999	$ 1,762,999	$ 3,801,194	$ 2,038,195
Investigations	-	-	-	0
Legal Service	520,051	508,023	532,940	12,889
Tax Assessment	496,867	494,017	465,014	(31,853)
TTX-Business Tax	4,837,301	4,829,969	7,255,319	2,418,018
TTX-Delinquent Revenue	3,309,742	3,183,222	3,284,254	(25,488)
TTX-Investment	712,070	712,070	756,556	44,486
TTX-Property Tax/Licensing	1,615,769	1,834,807	1,742,953	127,184
TTX-Tax Payer Assistance	841,243	770,935	874,026	32,783
TTX-Treasury Collector	2,049,337	2,049,337	2,165,289	115,952
Total Expenditures	$ 16,145,379	$ 16,145,379	$ 20,877,545	$ 4,732,166
Less Work Order Recoveries	(1,172,292)	(1,172,292)	(1,260,741)	(88,449)
Net Expenditures	$ 14,973,087	$ 14,973,087	$ 19,616,804	$ 4,643,717

Department: **TTX TREASURER/TAX COLLECTOR (continued)**

DEPARTMENT PERSONNEL SUMMARY:

The number of full-time equivalent positions budgeted for FY 2000-01 is 182.89 FTEs, which is 0.16 FTEs more than the 182.73 FTEs in the original FY 1999-2000 budget. The FTE allocations by program are as follows:

	Fiscal Year 1999-2000		Mayor's Budget Fiscal Year	Proposed Increase (Decrease) From 1999-2000
Full Time Equivalents	Original	Revised	2000-2001	Original Budget
Department Management	17.23	17.23	16.78	(0.45)
Legal Service	5.76	5.76	5.76	-
Tax Assessment	7.77	7.77	7.13	(0.64)
TTX - Tax Payer Assistance	11.20	11.20	11.87	0.67
TTX - Business Tax	46.14	46.14	45.47	(0.67)
TTX - Delinquent Revenue	44.55	44.55	44.62	0.07
TTX - Investment	5.45	5.45	5.45	-
TTX - Property Tax/Licensing	12.40	12.40	12.40	-
TTX - Treasury	32.23	32.23	33.41	1.18
Total	182.73	182.73	182.89	0.16

DEPARTMENT REVENUES

Department revenues have increased from $3,144,174 to $3,479,080 for a total of $334,906 or 9.81 percent and General Fund support has increased from $11,828,913 to $16,137,724 for a total of $4,308,811 or 36.4 percent. Approximately $140,000 of the increased revenues relate to increases expected on interest on City cash balances and $163,000 relates to fees received for the processing of passport applications for the U. S. Department of State, which is a service enhancement in FY 2000-01.

DESCRIPTION

1. The Department is requesting the addition of one new Principal Account Clerk at 0.75 FTE for FY 2000-01, resulting in a $38,367 increased salary expense for this position. This position, which is

Department: TTX TREASURER/TAX COLLECTOR (continued)

intended to staff the new passport application function, would annualize to 1.0 FTE with an annual salary at the top step of $50,960.

2. The Department has two major initiatives planned for FY 2000-01 that account for $3.2 million of the $4.7 million increase in the budget request in the current year. Additionally, the Business Tax Division has an increase of $1,124,858 to a total of $2,284,354 for the services of the Department of Technology and Information Services.

- The FY 2000-01 budget allocates $2.1 million to professional and specialized services for the acquisition, customization, and implementation of a new Business Tax System.

- The Department has an increase in services from the City Attorney of $1.1 million related to anticipated pending litigation for the lawsuits filed by seven corporate plaintiffs against the City pertaining to the imposition of the City's Business Taxes. In May 2000, a summary judgement decision in favor of two of the plaintiffs was handed down by Superior Court, which the City plans on appealing. In FY 1999-00, the City incurred an additional $972,212 related to this same litigation.

COMMENT

The Mayor's budget provides an increase of $4,732,166. Our recommended reductions, which total $179,699, would still allow an increase of $4,552,467 or 28.20% in the Department's budget.

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS 2000-01

Department: Treasurer/Tax Collector

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
FCL Treasury								
819	001	Permanent Salaries				$1,344,317	$1,339,671	*
		* The recommended reduction in Permanent Salaries--Misc. is the total of the following specific recommendations regarding individual classification.						
834	001	Attrition Savings - Misc.	9993M	0	0.1	0	(4,646)	4,646
		Attrition Savings--Misc. has been increased by $4,646 to offset the effect of the Department's upward substitution of a 4321 Cashier II position to a 1632 Senior Account Clerk, that would result in increased salary and fringe benefit costs made during the past year, without budgetary approval by the Board of Supervisors. This recommendation will enable the Department to continue to maintain the existing filled position, at the higher salary and fringe benefit cost, but will not result in additional expenditure for the Department because an offsetting amount will be eliminated from the budget by this increase in attrition savings.						
819	013	Mandatory Fringe Benefits				378,928	377,720	1,208
		Corresponds to the reduction in salaries.						
FCM Investment								
820	040	Materials and Supplies Budget				24,350	6,500	17,850
		To reduce the budget by the increase that the Department has identified as estimated expenses that may be incurred for software or other costs related to changing to a new bank. The Treasurer has put the full range of banking business for the City and County of San Francisco out to competitive bid and the award of the City's banking business will be made during 2000-01. It is the Budget Analyst's opinion that all costs related to any changes in the award of the City's banking business should be budget neutral or result in a benefit to the City, with any costs related to the change in business either borne by the institution receiving the business or offset by reductions in other costs or increases in revenues related to the change.						

Department: Treasurer/Tax Collector

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
FCN Property Tax/Licensing								
2822	027	Professional & Specialized Services				$24,906	$20,600	$4,306
		To reduce to actual 1999-00 expenditure level adjusted by a cost of living factor for 2000-01.						
2822	035	Other Current Expenses				142,650	127,650	15,000
		Reduce the amount increased for Official Advertising from $120,000 to $105,000, which is the amount of the actual 1999-00 expenditure adjusted by a cost of living factor for 2000-01. The recommended amount is still $59,634 more than the current budget amount.						
FCO Business Tax								
2824	023	Employee Field Expense				10,380	2,000	8,380
		To reduce to actual 1999-00 expenditure level adjusted by a cost of living factor for 2000-01.						
2824	027	Professional Services				70,000	51,000	19,000
		Department has plans to purchase 10 new laptop computers for analysts in this Division. Computers are budgeted at $3,000. This amount has been reduced to $2,250 per computer, with a savings of $750 for each of the 10 computers, or $7,500. Additionally, the Department has plans to upgrade from Office 97 to Office 2000 (computer software), but has not provided adequate justification for why the functionality of Office 97 is not sufficient for current operations of the Division. The budget has been reduced by $11,500 related to this planned upgrade.						

RECOMMENDATIONS OF THE BUDGET ANALYST FOR
AMENDMENT OF BUDGET ITEMS
2000-01

Department: Treasurer/Tax Collector

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
2824	035	Other Current Expense				$47,541	$42,200	$5,341
		To reduce to actual 1999-00 expenditure level adjusted by a cost of living factor for 2000-01.						
Business Tax Litigation								
2824	081	Services of Other Departments				1,058,946	1,038,182	20,764
		To reduce the City Attorney-Legal Services related to anticipated pending litigation for the lawsuits filed by corporate plaintiffs against the City pertaining to the imposition of the City's Business Taxes to the itemized estimate provided by the City Attorney's office.						
TCQ Taxpayer Assistance								
2826	005	Temporary Salaries--Misc.				58,117	15,000	43,117
		Reduce the temporary salaries to actual 1999-00 expenditure level, and provide a 10% increase for expenditures for 2000-01.						
2826	013	Mandatory Fringe Benefits				144,207	140,326	3,881
		Corresponds to the reduction in salaries.						
2826	035	Other Current Expense				17,284	9,000	8,284
		To reduce to actual 1999-00 expenditure level adjusted by a cost of living factor for 2000-01.						
TCS Delinquent Revenue								
2827	035	Other Current Expense				57,013	45,200	11,813
		To reduce to actual 1999-00 expenditure level adjusted by a cost of living factor for 2000-01.						

RECOMMENDATIONS OF THE BUDGET ANALYST FOR
AMENDMENT OF BUDGET ITEMS
2000-01

Department: Treasurer/Tax Collector

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
FEG Departmental Management								
2830	001	Permanent Salaries				$1,181,430	$1,171,026	*
		* The recommended reduction in Permanent Salaries--Misc. is the total of the following specific recommendations regarding individual classification.						
2842	001	Attrition Savings - Misc.	9993M	1.22	1.37	(85,200)	(95,604)	10,404
		Attrition Savings--Misc. has been increased by $10,404 to offset the effect of the Department's upward substitution of a 1024 Administrator-Supervisor position to a 1043 Engineer-Senior, that would result in increased salary and fringe benefit costs made during the past year, without budgetary approval by the Board of Supervisors. This recommendation will enable the Department to continue to maintain the existing filled position, at the higher salary and fringe benefit cost, but will not result in additional expenditure for the Department because an offsetting amount will be eliminated from the budget by this increase in attrition savings.						
2830	013	Mandatory Fringe Benefits				267,150	264,445	2,705
		Corresponds to the reduction in salaries.						
2830	021	Travel				6,000	3,000	3,000
		To reduce to actual 1999-00 expenditure level adjusted by a cost of living factor for 2000-01.						

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS 2000-01

Department: Treasurer/Tax Collector

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
2830	027	Professional & Specialized Services				$2,162,050	$2,162,050	*

Reserve the budgeted amount of $2,162,050 for the replacement of the Business Tax System until such time as detailed information is submitted to the Board of Supervisors as to a firm bid and contract, and a formalized project plan to ensure that the project is budgeted for an appropriate amount and to ensure that the expenditures are budgeted in the proper budget year. The Department has a recommendation prepared in November 1999 by a consultant of the Department of Telecommunications and Information Services (DTIS) that has identified a potential replacement system for the City's Business Tax System. The recommendation suggests the acquisition, conversion and customization of a system that was developed by and is currently being used in Seattle, Washington. The system, which the Department has stated is in the public domain, would need to be converted to an Oracle database (which is the City's database-of-choice) and would need customization since it is estimated to provide about 65 percent of the functionality desired by the Department. This customization has been preliminarily scoped. However an in-depth business analysis and specifications need to be developed.

The total budgeted amount of $2,162,050 is the estimated cost to obtain the system from Seattle, convert it to Oracle and customize it, using contract resources. The recommendation includes a project plan showing that the development and implementation of the new system is a two-year project, with costs divided into two years--$861,750 in the first year and $1,300,300 in the second year. A revised project plan prepared in May 2000 shows the work being performed in FY 2000-01 and 2001-02. Departmental staff have indicated that because of the critical need for this new system, they intend on compressing the process and completing as much of the project in FY 2000-01 as possible. The Department stated that they have had discussions with DTIS and that DTIS has stated that they concur that the time-line for the project can be compressed.

The Budget Analyst questions the ability of the Department to compress the development and implementation time for this project at the same cost, given the shortage of Information Systems resources in the Bay Area. The Budget Analyst recommends that the budget for this project be reserved until such time as there is a firm bid and contract and a formalized project plan to ensure that the project is budgeted for an appropriate amount and to ensure that the expenditures are budgeted in the proper budget year, and that all related information be presented to the Board of Supervisors for review and approval.

Total Recommended Reductions	$179,699
Total Recommended Reserves	$ 2,162,050

DEPARTMENT: GEN GENERAL CITY RESPONSIBILITY

FINANCIAL DATA:

The General City Responsibility's proposed $297,952,269 budget for FY 2000-01 is $29,568,104 or 9.03 percent less than the original FY 1999-2000 budget of $327,520,373. The net decrease from the revised FY 1999-2000 budget is $19,995,115 or 6.29 percent.

SUMMARY OF PROGRAM EXPENDITURES:

Program Expenditures	Fiscal Year 1999-2000 Original	Fiscal Year 1999-2000 Revised	Mayor's Budget Fiscal Year 2000-2001	Proposed Increase (Decrease) From 1999-2000 Original Budget
General City Responsibilities	$ 519,775,009	$ 516,383,876	$ 535,268,600	$ 15,493,591
Less General Fund Subsidy Transfer	(192,254,636)	(198,436,492)	(237,316,331)	(45,061,695)
Total Expenditures	$ 327,520,373	$ 317,947,384	$ 297,952,269	$ (29,568,104)

DEPARTMENT PERSONNEL SUMMARY:

The number of full-time equivalent positions budgeted for FY 2000-01 is 2.00 FTEs, which is 2.00 FTEs more than the 0.00 FTEs in the original FY 1999-2000 budget. The FTE allocations by program are as follows:

Full Time Equivalents	Fiscal Year 1999-2000 Original	Fiscal Year 1999-2000 Revised	Mayor's Budget Fiscal Year 2000-2001	Proposed Increase (Decrease) From 1999-2000 Original Budget
General City Responsibilities	-	-	2.00	2.00
Total	-	-	2.00	2.00

Department: GEN GENERAL CITY RESPONSIBILITY (continued)

DESCRIPTION

The General City Responsibility budget is comprised of general responsibilities not covered by other City departments, including General Fund supported debt service.

The primary changes in General City Responsibility expenditures, which have decreased by a net amount of $29,568,104 from the Original Fiscal Year 1999-00 budget, are as follows:

$ 5,984,022	Increase in debt service for GO bonds
215,111	Transfer of two Committee on Information Technology (COIT) administrative support positions from Department of Telecommunications and Information Services; this transfer is intended to clarify that COIT serves as an independent body
(297,896)	Decrease in General Fund share of Health Service Admin cost
1,272,958	Increase in General Fund cost of Health Service subsidy for retirees; Medicare rates are the primary factor
204,916	Increase in San Francisco's partner obligation to the Peninsula Corridor Joint Powers Board for 2001
(200,000)	No Lease-Finance bonds will be sold this year; no initial payment is required
72,000	Recent legislation has approved a citywide-bonding program for officials; some funds are already budgeted for this purpose in departments; this amount represents the General Fund increase in cost for the proposed program

Department: GEN GENERAL CITY RESPONSIBILITY (continued)

$ 2,406,905	FY 2000-01 funding for continuing project to implement the JUSTIS system for Criminal Justice Departments (Police, Sheriff, Trial Courts, District Attorney and Public Defender). This is the unallocated General Fund portion of total FY 2000-01 costs of $6,202,540. Allocated expenditures of $3,795,635 ($6,202,540 less $2,406,905) are to be paid from funds allocated to customer department work orders ($1,750,000), State Trial Court funds ($1,675,635) and the Mayor's Criminal Justice Council ($370,000).
591,813	City Computer Store purchaser administration and oversight funded by administrative fee of 1.9 percent on all City department purchases from Computer Store vendors. This fee is required by an ordinance amending Administrative Code Section 21.8, adopted by the Board of Supervisors in June of 1999.

The expenditures detailed above, which total $10,249,829, are offset by reduced General City Responsibility expenditures for one time items and reserves funded in the FY 1999-00 budget, resulting in the net reduction of $29,568,104 in expenditures.

RECOMMENDATIONS

None.

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2000-01

DEPARTMENT: ADP ADULT PROBATION

FINANCIAL DATA:

The Department of Adult Probation's proposed $9,933,559 budget for FY 2000-01 is $440,530 or 4.64 percent more than the original FY 1999-2000 budget of $9,493,029. The net increase from the revised FY 1999-2000 budget is $337,800 or 3.52 percent.

SUMMARY OF PROGRAM EXPENDITURES:

Program Expenditures	Fiscal Year 1999-2000 Original	Fiscal Year 1999-2000 Revised	Mayor's Budget Fiscal Year 2000-2001	Proposed Increase (Decrease) From 1999-2000 Original Budget
Administration-Adult Probation	$ 3,118,958	$ 3,221,688	$ 3,023,388	$ (95,570)
Community Services	4,391,257	4,391,257	4,760,816	369,559
Pre-Sentencing Investigation	1,982,814	1,982,814	2,149,355	166,541
Total Expenditures	$ 9,493,029	$ 9,595,759	$ 9,933,559	$ 440,530
Interdepartmental Recoveries	(24,000)	(24,000)	(94,000)	(70,000)
Net Expenditures	$ 9,469,029	$ 9,571,759	$ 9,839,559	$ 370,530

DEPARTMENT PERSONNEL SUMMARY:

The number of full-time equivalent positions budgeted for FY 2000-01 is 128.80 FTEs, which is 1.84 FTEs more than the 126.96 FTEs in the original FY 1999-2000 budget. The FTE allocations by program are as follows:

Full Time Equivalents	Fiscal Year 1999-2000 Original	Fiscal Year 1999-2000 Revised	Mayor's Budget Fiscal Year 2000-2001	Proposed Increase (Decrease) From 1999-2000 Original Budget
Administration-Adult Probation	32.91	32.91	35.20	2.29
Community Services	65.28	65.28	64.84	(0.44)
Pre-Sentencing Investigation	28.77	28.77	28.76	(0.01)
Total	126.96	126.96	128.80	1.84

Department: **ADP ADULT PROBATION (continued)**

DEPARTMENT REVENUES

Department revenues have decreased by $92,743 or 5.2 percent and General Fund support has increased by $463,273 or 6.0 percent. Support from the General Fund has increased because the Department has lost significant amounts of grant funding.

DESCRIPTION

The $440,530 in proposed increased expenditures compared to the original FY 1999-00 budget is comprised of increased costs offset by savings and transfers as follows:

Increased costs for new positions and other personnel costs	$239,000
Increased mandatory fringe benefits costs for new positions & other personnel costs	$513,000
Increased costs in other current expenses.	$143,000
Which are offset by:	
Reductions in expenditures primarily due to loss of grant funding	-$454,000
Approximate Net Increase:	$441,000

Positions and benefits

The Department is proposing the addition of three new positions: a 1023 Administrator III, an 1824 Principal Administrative Analyst, and a grant-funded 4306 Collections Officer at a combined annual cost of $177,490 including mandatory fringe benefits. Annualization of three grant-funded 8444 Deputy Probation Officer positions added in FY 1999-00 accounts for an additional $51,780 cost in increased salary and benefits costs. Attrition savings have increased by $17,998, while salaries for temporary employees have dropped by $26,428. Additionally, substitutions resulted in a net savings of $16,466. Step increases would also result in some increases in salary and benefit funding.

Other Current Expenses

The Department would expend $89,000 in the form of a work order to support the full salary of one Department officer assigned to probation work in the Sheriff's Department. The remaining $54,000 would be expended on work orders to partially support two other probation-related positions at the Sheriff's Department.

Department: **ADP ADULT PROBATION (continued)**

Loss of Grant Funding

The Department will reduce some expenditures because of a reduction in grant funding. This loss will cause (a) the elimination of a $200,000 contract with the University of California to conduct program evaluations for the Department, and (b) the reduction or elimination of various other programs totaling $254,000.

COMMENT

The Mayor's budget provides an increase of $440,530. Our recommended reductions, which total $10,500 would still allow an increase of $430,030 or 4.5% in the Department's budget.

RECOMMENDATIONS OF THE BUDGET ANALYST FOR
AMENDMENT OF BUDGET ITEMS
2000-01

Department: ADP - Adult Probation

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
Administration								
14	060	Equipment Purchase				$10,500	$0	*
		* The recommended reductions in Equipment Purchase is the total of the following specific recommendations regarding individual classifications.						
23		Computers/Monitors	AP001N	5	0	10,500	0	$10,500
		Delete 5 computer monitors at $2,100 each. The Department had initially requested this item as part of a grant, but that grant was denied. According to the Department, this item remained in the budget by mistake.						
		Total Recommended Reductions						**$10,500**

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2000-01

DEPARTMENT: AGW CONSUMER ASSURANCE, REGULATORY COMPLIANCE AND AGRICULTURAL STANDARDS

FINANCIAL DATA:

The Department of Consumer Assurance, Regulatory Compliance and Agricultural Standards' proposed $1,612,094 budget for FY 2000-01 is $83,278 or 4.91 percent less than the original FY 1999-2000 budget of $1,695,372. The net decrease from the revised FY 1999-2000 budget is $140,660 or 8.03 percent.

SUMMARY OF PROGRAM EXPENDITURES:

Program Expenditures	Fiscal Year 1999-2000 Original	Fiscal Year 1999-2000 Revised	Mayor's Budget Fiscal Year 2000-2001	Proposed Increase (Decrease) From 1999-2000 Original Budget
AG WTS & Measures Inspection	$ 1,695,372	$ 1,752,754	$ 1,612,094	$ (83,278)
Less Inter Departmental Recoveries	-	(57,382)	(88,800)	(88,800)
Net Expenditures	$ 1,695,372	$ 1,695,372	$ 1,523,294	$ (172,078)

DEPARTMENT PERSONNEL SUMMARY:

The number of full-time equivalent positions budgeted for FY 2000-01 is 23.57 FTEs, which is 0.44 FTEs more than the 23.13 FTEs in the original FY 1999-2000 budget. The FTE allocations by program are as follows:

Full Time Equivalents	Fiscal Year 1999-2000 Original	Fiscal Year 1999-2000 Revised	Mayor's Budget Fiscal Year 2000-2001	Proposed Increase (Decrease) From 1999-2000 Original Budget
AG WTS & Measures Inspection	23.13	23.13	23.57	0.44
Total	23.13	23.13	23.57	0.44

Department: AGW CONSUMER ASSURANCE, REGULATORY COMPLIANCE AND AGRICULTURAL STANDARDS (continued)

DEPARTMENT REVENUES

Department revenues have decreased by a net of $166,255 or 12.5 percent and General Fund support has decreased by $5,823 or 1.6 percent. Approximately $75,000 of this decrease relates to a decline in State grant funds for the California Department of Food and Agriculture (CDFA) Pest Exclusion Program, a $50,000 decrease in Farmers' Market revenues, and a $59,000 reduction in expected revenue from other public safety charges.

DESCRIPTION

A half-time clerk typist and a 6218 Inspector of Weights and Measures, which were previously limited tenure positions, are being added to the budget as new permanent positions in 2000-01. This staff performs tobacco advertisement enforcement inspections under a work order to the Health Department's Tobacco Free Project.

Of the total decline in budgeted expenditures of $83,278, $42,000 relates to a decrease in the equipment budget (from $42,000 to $0 in the current budget year). The Department has informed us that they are working with the Mayor's Budget Office to resolve several technical errors related to their FY 2000-01 budget.

Department: AGW Admin Svcs–Dept. of Consumer Assurance

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
28	001	Permanent Salaries - Misc.				$920,961	$889,984	*
		* The recommended reduction in Permanent Salaries--Misc. is the total of the following specific recommendations regarding individual classification.						
31	001	Attrition Savings - Misc.	9993M	0.5	0.85	(23,033)	(54,010)	30,977
		To increase salary savings from 2.35 percent of salaries to 3.0 percent of salaries, for a total increase of $6,355. The Department will achieve an estimated 12.5 percent savings in FY 1999-00. Additionally, Attrition Savings--Misc. has been increased by $24,622 to offset the effect of the Department's upward substitution of a 1446 Secretary II position to a 1367 Special Assistant VIII, that would result in increased salary and fringe benefit costs made during the past year, without budgetary approval by the Board of Supervisors. This recommendation will enable the Department to continue to maintain the existing filled position, at the higher salary and fringe benefit cost, but will not result in additional expenditure for the Department because an offsetting amount will be eliminated from the budget by this increase in attrition savings.						
28	013	Mandatory Fringe Benefits				258,777	250,723	8,054
		Corresponds to the reduction in salaries.						
28	023	Employee Field Expense				8,940	2,000	6,940
		Reduce funding since budgeted increase has not been justified by the Department. Our recommendation provides a 33% increase over the projected FY 1999-00 expenditures of $1,500.						
28	032	Utilities				13,600	4,000	9,600
		Reduce to actual 1999-00 expenditure level adjusted by a cost of living factor for 2000-01. The Department states that a leak at Farmers' Market had increased utilities charges in previous years, however these charges have declined since the leak has been fixed.						
		Subtotal Recommended Reductions						$55,571

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS 2000-01

DEPARTMENT: ANC ANIMAL CARE AND CONTROL

FINANCIAL DATA:

The Department of Animal Care and Control's proposed $2,821,323 budget for FY 2000-01 is $66,344 or 2.41percent more than the original FY 1999-00 budget of $2,754,979. The net increase from the revised FY 1999-00 budget is $104,279 or 3.84 percent.

SUMMARY OF PROGRAM EXPENDITURES:

Program Expenditures	Fiscal Year 1999-2000 Original	Fiscal Year 1999-2000 Revised	Mayor's Budget Fiscal Year 2000-2001	Proposed Increase (Decrease) From 1999-2000 Original Budget
Animal Welfare	$ 2,744,979	$ 2,719,244	$ 2,821,323	$ 76,344
Total Operating Expenditures	$ 2,744,979	$ 2,719,244	$ 2,821,323	$ 76,344
Capital Improvements & Fac. Maint.	10,000	(2,200)	-	(10,000)
Total Expenditures	$ 2,754,979	$ 2,717,044	$ 2,821,323	$ 66,344

DEPARTMENT PERSONNEL SUMMARY:

The number of full-time equivalent positions budgeted for FY 2000-01 is 41.88 FTEs, which is 0.99 FTEs more than the 40.89 FTEs in the original FY 1999-00 budget. The FTE allocations by program are as follows:

Full Time Equivalents	Fiscal Year 1999-2000 Original	Fiscal Year 1999-2000 Revised	Mayor's Budget Fiscal Year 2000-2001	Proposed Increase (Decrease) From 1999-2000 Original Budget
Animal Welfare	40.89	40.89	41.88	0.99
Total	40.89	40.89	41.88	0.99

Department: **ANC ANIMAL CARE AND CONTROL (continued)**

The increase of 0.99 FTE represents the annualization of three new positions approved in the 1999-2000 budget.

DEPARTMENT REVENUES

The Animal Care and Control Department's projected Departmental revenue for FY 2000-01 remains unchanged at $188,000. General Fund support has increased by $104,279 or 4.1 percent.

DESCRIPTION

The net increase in the budget for FY 2000-01 of $66,344 is comprised of increased salary and MOU-related increases ($110,333) offset by a reduction in other expenditures ($43,989).

The proposed budget would allow ANC to comply with the recommendations of the Dog Off-Leash Advisory Task Force commissioned by the Board of Supervisors. Proposed funding includes an increase of $11,200 in materials and supplies. Of the $11,200, $8,050 would provide for 23 signs placed in existing designated off-leash areas reminding dog owners of their legal obligation to carry a leash and pick up dog waste, leash aggressive dogs, and keep dog vaccinations and licenses current. $3,150 of the proposed $11,200 increase would provide 21 dog waste bag dispensers for designated off-leash areas. Two designated off-leash areas currently have dog waste bag dispensers.

In addition, ANC's FY 2000-01 proposed budget includes $10,250 for the purchase of five portable communication radios, for animal control officers, that are compatible with the City's new communication system.

RECOMMENDATIONS

None.

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2000-01

DEPARTMENT: CME MEDICAL EXAMINER

FINANCIAL DATA:

The Medical Examiner's proposed $4,125,247 budget for FY 2000-01 is $359,027 or 9.53 percent more than the original FY 1999-2000 budget of $3,766,220. The net increase from the revised FY 1999-2000 budget is $360,814 or 9.58 percent.

SUMMARY OF PROGRAM EXPENDITURES:

Program Expenditures	Fiscal Year 1999-2000 Original	Fiscal Year 1999-2000 Revised	Mayor's Budget Fiscal Year 2000-2001	Proposed Increase (Decrease) From 1999-2000 Original Budget
Medical Examiner-Administration	$ 711,381	$ 711,381	$ 739,227	$ 27,846
Medical Examiner-Investigative Services	1,197,479	1,197,479	1,243,540	46,061
Medical Examiner-Medical Services	1,857,360	1,855,573	2,142,480	285,120
Total Expenditures	$ 3,766,220	$ 3,764,433	$ 4,125,247	$ 359,027
Interdepartmental Recoveries	(10,000)	(10,000)	(15,734)	(5,734)
Net Expenditures	$ 3,756,220	$ 3,754,433	$ 4,109,513	$ 353,293

DEPARTMENT PERSONNEL SUMMARY:

The number of full-time equivalent positions budgeted for FY 2000-01 is 36.14 FTEs, which is 0.70 FTEs less than the 36.84 FTEs in the original FY 1999-2000 budget. The FTE allocations by program are as follows:

Full Time Equivalents	Fiscal Year 1999-2000 Original	Fiscal Year 1999-2000 Revised	Mayor's Budget Fiscal Year 2000-2001	Proposed Increase (Decrease) From 1999-2000 Original Budget
Medical Examiner-Administration	7.11	7.11	7.13	0.02
Medical Examiner-Investigative Services	14.11	14.11	14.17	0.06
Medical Examiner-Medical Services	15.62	15.62	14.84	(0.78)
Total	36.84	36.84	36.14	(0.70)

Department: **CME MEDICAL EXAMINER (continued)**

DEPARTMENT REVENUES

Department revenues, which are Medical Examiner fees, have remained the same at $175,000 and General Fund support has increased by $353,293 or 9.9 percent.

DESCRIPTION

The increase in net Medical Examiner operating expenditures from the FY 1999-00 original budget is $359,027. Major expenditure changes in the proposed budget are summarized below:

- An increase in Salaries and Fringe Benefits of $86,305 due to mandated MOU increases which are already identified in the FY 2000-01 recommended budget..
- A proposed increase of $22,623 for Temporary Salaries, Premium Pay, Overtime and Holiday Pay.
- The Medical Examiner's Office is requesting $185,000 to purchase a new mass spectrometer/gas chromatograph which is used to test for the presence of drugs, alcohol and other compounds. This purchase will replace an old and outdated gas chromatograph in the Toxicology lab.
- The Medical Examiner's Office is also requesting an increase of $37,896 to cover the increased service maintenance contract cost for refrigerators in autopsy and an increase of $20,977 for additional supplies that are required for an increase of work order services for the Police, Fire and Sheriff's Departments. The Budget Analyst recommends approval of these additional funds.

COMMENT

The Mayor's budget provides an increase of $359,027. Our recommended reductions, which total $145,253, would still allow an increase of $213,774 or 5.7% in the Department's budget.

Department: CME Medical Examiner

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
Medical Examiner - Administration (ASG)								
45	009	Premium Pay Reduce to FY 1999-00 expenditure level, adjusted by a cost of living factor for 2000-01.				$24,596	$21,596	$3,000
45	022	Training Reduce to FY 1999-00 expenditure level, adjusted by a cost of living factor for 2000-01.				16,870	13,400	3,470
45	035	Other Current Expenditures Reduce to FY 1999-00 expenditure level, adjusted by a cost of living factor for 2000-01.				58,100	48,200	9,900
Medical Examiner - Medical Services (ASM)								
46	001	Permanent Salaries - Misc. * The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classification.				1,313,287	1,280,656	*
50	001	Attrition Savings - Mis. Increase Attrition Savings to actual 1999-00 expenditure level adjusted for salary increase.	9993M	(2.62)	(2.98)	(239,914)	(272,545)	32,631

RECOMMENDATIONS OF THE BUDGET ANALYST FOR
AMENDMENT OF BUDGET ITEMS
2000-01

Department: CME Medical Examiner

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
46	009	Premium Pay Reduce to FY 1999-00 expenditure level, adjusted by a cost of living factor for 2000-01.				$35,615	$31,615	$4,000
46	013	Mandatory Fringe Benefits Corresponds to reduction in salaries.				263,224	256,698	6,526
46	035	Other Current Expenditures Reduce to FY 1999-00 expenditure level, adjusted by a cost of living factor for 2000-01.				84,452	65,252	19,200
46	060	Equipment Purchase * The recommended recuction in equipment is the total of the following specific recommendations.				185,000	180,000	*
53	060	Gas Chromatigraph Mass Spectrome To reduce the unit price by $5,000 from $185,000 to $180,000.				185,000	180,000	5,000
[edical Examiner - Investigations (ASN)								
48	001	Permanent Salaries - Misc. * The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classification.				796,307	747,360	*

RECOMMENDATIONS OF THE BUDGET ANALYST FOR
AMENDMENT OF BUDGET ITEMS
2000-01

Department: CME Medical Examiner

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
51	001	Attrition Savings - Misc.	9993M	(0.29)	(1.05)	($18,533)	($67,480)	$48,947
		Increase Attrition Savings to actual 1999-00 expenditure level adjusted for salary increase.						
48	013	Mandatory Fringe Benefits				205,172	192,593	12,579
		Corresponds to reduction in salaries.						
		Total Recommended Reductions						$145,253

DEPARTMENT: TRIAL COURTS

FINANCIAL DATA:

The Trial Courts' proposed $39,691,700 budget for FY 2000-01 is $2,506,958 or 6.74 percent more than the original FY 1999-2000 budget of $37,184,742. The net increase from the revised FY 1999-2000 budget is $1,968,702 or 5.22 percent. The $39,691,700 budget amount excludes expenditures that will be funded by the State Trial Court Agency Fund in FY 2000-01. When combined with State Trial Court Agency Fund funding, which is estimated to be $36,240,041 in FY 2000-01, the Trial Court's total budget will be $75,931,741.

SUMMARY OF PROGRAM EXPENDITURES:

Program Expenditures	Fiscal Year 1999-2000 Original	Fiscal Year 1999-2000 Revised	Mayor's Budget Fiscal Year 2000-2001	Proposed Increase (Decrease) From 1999-2000 Original Budget
Accounting Automation	$ -	$ -	$ -	$ -
Court House Construction	4,535,103	4,560,103	4,992,470	457,367
Dispute Resolution Program	349,000	355,022	422,573	73,573
District Attorney Child Support Services	1,107,336	1,107,336	1,225,791	118,455
Indigent Defense/Grant Jury	5,918,930	6,426,930	7,173,430	1,254,500
Municipal Court Services	25,096,558	25,096,558	25,025,845	(70,713)
Superior Court Services	141,815	166,049	136,591	(5,224)
Subtotal	37,148,742	37,711,998	38,976,700	1,827,958
Trial Court Services	-	-	-	-
Total Operating Expenditures	$ 37,148,742	$ 37,711,998	$ 38,976,700	$ 1,827,958
Capital Improvements & Fac. Maint.	36,000	11,000	715,000	679,000
Total Expenditures	$ 37,184,742	$ 37,722,998	$ 39,691,700	$ 2,506,958

Department: TRIAL COURTS

DEPARTMENT PERSONNEL SUMMARY:

The number of full-time equivalent positions budgeted for FY 2000-01 is 577.74 FTEs, which is 7.00 FTEs more than the 570.74 FTEs in the original FY 1999-2000 budget. The FTE allocations by program are as follows:

	Fiscal Year 1999-2000		Mayor's Budget Fiscal Year	Proposed Increase (Decrease) From 1999-2000
Full Time Equivalents	Original	Revised	2000-2001	Original Budget
District Attorney Child Support Services	14.50	14.50	16.75	2.25
Municipal Court Services	3.00	3.00	-	(3.00)
Superior Court Services	1.00	1.30	1.75	0.75
Trial Court Services	552.24	552.24	559.24	7.00
Total	570.74	571.04	577.74	7.00

DEPARTMENT REVENUES

Department revenues have increased by $8,103,973 or 13.9 percent and General Fund support has increased by $1,789,946 or 5.7 percent. The increased revenues consist of increased State Trial Court Agency Fund funding, increases in court filing fee revenue, and State subventions.

DESCRIPTION

Under State law, the Board of Supervisors has authority over only a portion of the total Trial Courts budget. For FY 2000-01, the amount subject to Board review and approval is $16,350,290. That is the amount remaining from the total Trial Courts proposed budget of $75,931,741 after deducting State Trial Court Agency Fund funding of $36,240,041 and the mandated local contribution of $23,341,410. The table on the following page shows the funding sources of the Trial Court's budget.

Department: TRIAL COURTS

A breakdown of funding sources and proposed expenditures amounts for FY 2000-01 is as follows:

Source	Funds Provided by	Proposed Expenditure Amount
State Trial Court Agency Fund	State funds	$36,240,041[1]
State mandated local maintenance of effort	City and County General Fund, as mandated by the State to obtain State Trial Court Agency Fund funding	$23,341,410
State Funding Total		$59,581,451
City and County	1. City and County General Fund supported, at discretion of City and County	$9,657,059
	2. Courthouse Construction Fund	$4,992,470
	3. Filing Fees & Other Funds	$1,700,761
		$16,350,290
Total Operating Budget		**$75,931,741**

(1) The final amount of State funding will not be known until later in the summer after the State budget is adopted. The amount shown represents the best estimate of the level of Trial Court funding for FY 2000-01 available at this time

Department: TRIAL COURTS

The approximately $16.4 million in proposed FY 2000-01 Trial Courts costs subject to local approval is comprised of the following:

	Original 1999-00	Proposed 2000-01	$ Change	% Change
General Fund supported:				
Juvenile Dependency Mediation	141,815	136,591	(5,224)	-3.7%
Fringe benefits for Municipal Ct. judges	87,200	110,000	22,800	26.1%
Rent for storage of court files	3,500	3,500	-	0.0%
Services of other departments, Municipal Ct.	1,386,729	1,416,435	29,706	2.1%
Utilities (575 Polk St.)	4,500	4,500	-	0.0%
Drug Court facility improvements	-	715,000	715,000	0.0%
Indigent defense	5,900,000	7,150,000	1,250,000	21.2%
Office of Family Law Facilitator (GF portion)	196,591	97,603	(98,988)	-50.4%
Grand Jury expenses	18,930	23,430	4,500	23.8%
Subtotal General Fund	7,739,265	9,657,059	1,917,794	24.8%
Filing fees, grants and other funds:				
Alternative Dispute Resolution (1)	349,000	422,573	73,573	21.1%
Children's waiting rooms (1)	121,848	150,000	28,152	23.1%
Drug Court operating costs	181,371		(181,371)	-100.0%
Office of Family Law Facilitator (non-GF portion) (2)	910,745	1,128,188	217,443	23.9%
Courthouse construction debt service (3)	4,535,103	4,992,470	457,367	10.1%
Subtotal Fees/other	6,098,067	6,693,231	595,164	9.8%
GRAND TOTAL	13,837,332	16,350,290	2,512,958	18.2%

(1) Funded by court filing fees

(2) Funded by State AB 1058 funds

(3) Courthouse construction fee funded by court filing fees and parking citation fee

As shown, the proposed General Fund contribution to the Trial Courts is proposed to increase by $1,917,794, or by 24.8 percent over the original Fiscal Year 1999-00 budget. The increase is primarily due to: 1) a proposed increase in fees for private attorneys and investigators who provide indigent defense services in cases where the Public Defender's Office has a conflict of interest (+$1,250,000); and, 2) one time remodeling costs for the drug court at the Hall of Justice (+$715,000). Other less significant increases are proposed for the children's waiting rooms (+$28,152) fringe benefits for Municipal Court judges (+$22,800), services of other departments (+$29,706) and Grand Jury costs (+$4,500). General Fund decreases are proposed for Juvenile Dependency Mediation services (-$5,224) and the General Fund portion of the Office of the Family Law Facilitator (-$98,988).

Costs for programs and services funded by filing fees, grants, and other sources (but not eligible for State Trial Court Agency funding) are proposed to increase by $595,164 due to increases in courthouse construction debt service costs (+$457,367) and increased operating costs of the Office of Family Law Facilitator and Alternative Dispute Resolution program. An offsetting $181,371 cost

Department: TRIAL COURTS

decrease is proposed as drug court operating costs are being transferred to the Court's State Trial Court budget for FY 2000-01 though the program will continue to be grant funded.

The net effect of all proposed increases and decreases in all areas not eligible for State Trial Court Agency funding is an increase of $2,512,958, or 18.2 percent, in proposed locally approved funding for the Trial Courts.

Court Unification

Proposition 220, the State ballot measure adopted by vote in the general election of June, 1998, provided for voluntary unification of superior and municipal courts in California into one countywide superior court. The trial courts of the City and County of San Francisco unified their operations in December 1998 and changed their name to the Superior Court. Provisions of the measure included abolishing the municipal court in each county, making all judges and employees superior court judges and employees, respectively, and eliminating municipal court cases, replacing them with "limited civil cases".

The California Legislative Analyst reported that the fiscal impact of Proposition 220, while not entirely certain, should lead to net savings in the long term through greater efficiency and flexibility in the assignment of judges, reductions in the need for new judgeships, improved records management, and reduced administrative costs. To date, the San Francisco Trial Courts report that they have not incurred net savings as result of unification though they expect to realize such savings in the future.

COMMENT

The Mayor's budget provides an increase of $2,506,958. Our recommended reductions, which total $1,208,088, would still allow an increase of $1,298,870, or 3.5% in the Department's budget.

Department: CRT - Trial Courts

Page No.	Object	Account Title	Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
Children's Waiting Room								
69	027	Professional and Specialized Services				$150,000	$126,000	$ 24,00
		The proposed amount of funding for the Children's Waiting room project at the courthouse was estimated and included in the budget before a contract had been finalized with the service providers. The court now reports that it is seeking a cost of living adjustment over last year's funding level for this project. The amount recommended allows for a 3.5 percent increase over the FY 1999-00 funding level.						
Indigent Defense								
74	026	Court Fees & Other Compensation				7,150,000	6,526,000	624,00
		The requested $7,150,000 consists of a base amount of $5,920,000 for private court appointed counsel and attorneys who represent indigent defendants when the Public Defender has a conflict of interest and an increase of $1,230,000 to cover additional costs resulting from a proposed increase in the hourly rates paid to private attorneys and investigators. The proposed increases for attorneys would increase their hourly rates from between $55 and $95 per hour to between $55 and $125 per hour, depending on the type of case. The proposed increases range from 25 to 33 percent (the rate for misdemeanors would remain the same under the proposal). The proposed increase for investgators is 28.6% from $35 to $45 per hour.						

Department: CRT - Trial Courts

Page No.	Object	Account Title	Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
		This recommended reduction consists of two components. The first is a reduction in the base amount of funding of $229,000 due to a reduction in the number of cases that will be assigned to private counsel in FY 2000-01 as a result of the Public Defender resuming its services in one of the Court's four preliminary hearing courtrooms in FY 1999-00.						
		The estimated impact of the proposed increase in attorney rates would be approximately $955,000 per year in addition to base costs for private attorneys of approximatley $4.0 million annually. The rate of increase proposed for private court appointed counsel is based on the rate of increase in the salaries of City-employed attorneys. The private indigent defense attorneys have not had an increase in their hourly rates since 1990 and, in fact, lowered their rates in 1992. However, their average hourly rate in 1990 was already higher than the average hourly rate of Public Defender attorneys.						
		The proposed increase in hourly rates for attorneys would result in the private attorney's average hourly cost and average cost per case both exceeding the same costs for the Office of the Public Defender for comparable cases. The Budget Analyst proposes an alternative rate schedule that would allow for an average increase of approximately 14 percent and would bring the average cost per hour of the private attorneys to a level comparable to the average cost per hour of Public Defender attorneys. This level of increase would reduce the proposed funding level for indigent defense costs by another $395,000, the second component of the total recomemnded reduction of $624,000.						

Department: CRT - Trial Courts

Page No.	Object	Account Title	Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Saving
		The Budget Analyst also recommends that the City conduct an analysis of the comparative costs of creating a second Public Defender's Office in lieu of using private counsel for all conflict of interest cases. A preliminary analysis conducted by the Budget Analyst indicates that the private court appointed counsel cases are already higher than the average costs per case of the Public Defender's office for comparable cases. If that is proven to be true after futher detailed analysis, the City could potentially save on its total indigent defense costs through creation of a second Public Defender's Office. Such offices have been established in other counties in California such as San Diego and Contra Costa counties.						
		The Budget Analyst does recommend an increase in the rates paid to private investigators on court appointed cases, which have not been increased since 1984 and would be made comparable to investigators in Public Defender's Office through the proposed increase. The estimated impact of the investigators rate increase is $275,000 per year which is included in the $7,150,000 Court Fees and Other Compensation budget.						
Courthouse Construction								
77	070	Debt Service				4,751,401	4,236,154	515,2
		The amount of debt service on the courthouse should remain the same as last year. Our recommended reduction of $515,247 is the amount of funding which is not needed for the Court's debt service.						

epartment: CRT - Trial Courts

Page No.	Object	Account Title	Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
istrict Attorney Child Support Services								
79	001	Permanent Salaries * The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.				$935,599	$864,424	*
79		Judicial Clerk The Court is requesting one new 0676 Research Assistant (.75 FTE for FY 2000-01) and two new 0681 Senior Judicial Clerks (1.5 FTEs for FY 2000-2001) for the Office of Family Law Facilitator. The Research Assistant would help clients find needed services both within the Court and in the community. The two Senior Judicial Clerks would assist with clerical duties in the office. The Budget Analyst recommends approval of the one new Research Assistant position (.75 FTE) and one of the two requested Judicial Clerks (or .75 of the 1.5 FTEs requested). Though workload has increased in this division, the program currently already has 5.5 Judicial Clerk, Senior Judicial Clerk, and Judicial Secretary positions budgeted out of its authorized 14.5 positions to perform clerical duties for the Office of the Family Law Facilitator.	0681 N	1.5	0.75	71,175	35,588	$35,588
79	013	Mandatory Fringe Benefits Corresponds to reduction in salaries.				223,168	213,915	9,253
		Total Recommended Reductions						$1,208,088

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2000-01

DEPARTMENT: DAT DISTRICT ATTORNEY

FINANCIAL DATA:

The District Attorney's proposed $27,516,010 budget for FY 2000-01 is $357,687 or 1.32 percent more than the original FY 1999-2000 budget of $27,158,323. The net increase from the revised FY 1999-2000 budget is $131,753 or 0.48 percent.

SUMMARY OF PROGRAM EXPENDITURES:

Program Expenditures	Fiscal Year 1999-2000 Original	Fiscal Year 1999-2000 Revised	Mayor's Budget Fiscal Year 2000-2001	Proposed Increase (Decrease) From 1999-2000 Original Budget
Administration - Criminal & Civil	$ 706,446	$ 706,446	$ 635,195	$ (71,251)
Career Criminal Prosecution	709,365	709,365	680,733	(28,632)
Child Abduction	511,115	511,115	547,271	36,156
Child Support Services Program	287,882	287,882	-	(287,882)
Family Violence Program	444,860	444,860	429,280	(15,580)
Felony Prosecution	13777261	13777261	14232279	455018
IPP/Subpoena Program	319,995	319,995	309,374	(10,621)
Misdemeanor Prosecution	1,727,674	1,727,674	1,678,217	(49,457)
Support Services	2,461,688	2,461,688	2,496,310	34,622
Work Orders & Grants	6,212,037	6,437,971	6,507,351	295,314
Total Expenditures	$ 27,158,323	$ 27,384,257	$ 27,516,010	$ 357,687
Interdepartmental Recoveries	(2,442,976)	(2,603,831)	(2,672,842)	(229,866)
Net Expenditures	$ 24,715,347	$ 24,780,426	$ 24,843,168	$ 127,821

Department: DAT DISTRICT ATTORNEY (continued)

DEPARTMENT PERSONNEL SUMMARY:

The number of full-time equivalent positions budgeted for FY 2000-01 is 268.97 FTEs, which is 6.43 FTEs more than the 262.54 FTEs in the original FY 1999-2000 budget. The FTE allocations by program are as follows:

Full Time Equivalents	Fiscal Year 1999-2000 Original	Fiscal Year 1999-2000 Revised	Mayor's Budget Fiscal Year 2000-2001	Proposed Increase (Decrease) From 1999-2000 Original Budget
Administration - Criminal & Civil	3.56	3.56	3.56	-
Career Criminal Prosecution	5.78	5.78	5.78	-
Child Abduction	5.75	5.75	5.66	(0.09)
Family Violence Program	4.82	4.82	4.56	(0.26)
Felony Prosecution	113.86	113.86	114.97	1.11
IPP/Subpoena Program	4.90	4.90	4.90	-
Misdemeanor Prosecution	19.08	19.08	18.16	(0.92)
Support Services	39.39	39.39	40.10	0.71
Work Orders & Grants	65.40	65.40	71.28	5.88
Total	262.54	262.54	268.97	6.43

DEPARTMENT REVENUES

Department revenues have decreased by $144,822 or 2.6 percent and General Fund support has increased by $272,643 or 1.4 percent.

DESCRIPTION

The $357,687 increase in the Department's proposed budget is explained primarily by:

- Permanent salaries, which are proposed to increase by $325,022 for the addition of two new 1873 Legal Assistants, one a work-ordered position by the Police Department and the other paid for by State SB-90 monies, a new part-time 8132 District Attorney's Investigator work-ordered by the Child Support Services Department, 4 ½ additional grant-funded positions, and step increases for existing positions.

Department: DAT DISTRICT ATTORNEY (continued)

- Mandatory Fringe Benefits which would increase by $421,037 primarily due to the FY 2000-01 reinstatement of mandatory employer contributions to the Public Employee Retirement System.
- An increase in Travel and Training expenses of $10,500.
- Other small, miscellaneous increases.

These increases would be offset by:

- A $171,080 reduction in Equipment Purchases
- A $52,980 reduction in Materials and Supplies and Other Materials and Supplies
- A $30,636 reduction in Other Current Expenses
- A $19,416 reduction in Rents and Leases
- Miscellaneous savings and reductions, including reduced transfers to other departments.

RECOMMENDATIONS

None.

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS 2000-01

DEPARTMENT: FIR FIRE DEPARTMENT

FINANCIAL DATA:

The Fire Department's proposed $204,010,186 budget for FY 2000-01 is $29,556,653 or 16.94 percent more than the original FY 1999-2000 budget of $174,453,533. The net increase from the revised FY 1999-2000 budget is $27,463,678 or 15.56 percent.

SUMMARY OF PROGRAM EXPENDITURES:

Program Expenditures	Fiscal Year 1999-2000 Original	Fiscal Year 1999-2000 Revised	Mayor's Budget Fiscal Year 2000-2001	Proposed Increase (Decrease) From 1999-2000 Original Budget
Administration-Fire Dept.	$ 9,231,529	$ 9,321,460	$ 13,196,258	$ 3,964,729
Consent Decree/Stipulated Order	-	-	-	-
Fire Airport	7,438,237	7,438,237	8,899,868	1,461,631
Fire Bureau of Training	3,134,596	3,363,415	9,926,154	6,791,558
Fire Computer Aided Dispatch	317,867	317,867	-	(317,867)
Fire Investigation	1,227,684	1,227,684	1,301,246	73,562
Fire Neighborhood Emerg. Resp. Training	-	-	-	-
Fire Port Fireboat	1,310,143	1,310,143	1,422,588	112,445
Fire Prevention	4,449,711	4,498,557	4,811,003	361,292
Fire Support Services	7,736,349	7,825,668	12,143,892	4,407,543
Fire Suppression	136,297,048	137,783,108	142,126,266	5,829,218
Work Order Services	3,114,369	3,264,369	3,397,191	282,822
Total Operating Expenditures	$ 174,257,533	$ 176,350,508	$ 197,224,466	$ 22,966,933
Facilities Maintenance	196,000	196,000	6,785,720	6,589,720
Total Expenditures	$ 174,453,533	$ 176,546,508	$ 204,010,186	$ 29,556,653
Less Work Order Recoveries	(1,986,652)	(2,136,652)	(3,776,161)	(1,789,509)
Net Expenditures	$ 172,466,881	$ 174,409,856	$ 200,234,025	$ 27,767,144

Department: FIR FIRE DEPARTMENT (continued)

DEPARTMENT PERSONNEL SUMMARY:

The number of full-time equivalent positions budgeted for FY 2000-01 is 1,866.72 FTEs, which is 10.30 FTEs more than the 1,856.42 FTEs in the original FY 1999-2000 budget. The FTE allocations by program are as follows:

Full Time Equivalents	Fiscal Year 1999-2000 Original	Fiscal Year 1999-2000 Revised	Mayor's Budget Fiscal Year 2000-2001	Proposed Increase (Decrease) From 1999-2000 Original Budget
Administration	37.72	37.72	36.12	(1.60)
Fire Airport	84.70	84.70	94.45	9.75
Fire Bureau of Training	16.75	16.75	17.00	0.25
Fire Computer Aided Dispatch	1.00	1.00	-	(1.00)
Fire Investigation	13.33	13.33	13.33	-
Fire Port Fireboat	11.52	11.52	11.52	-
Fire Prevention	50.42	50.42	51.12	0.70
Fire Support Services	56.51	56.51	57.77	1.26
Fire Suppression	1,554.86	1,554.86	1,554.41	(0.45)
Work Order Services	29.61	29.61	31.00	1.39
Total	1,856.42	1,856.42	1,866.72	10.30

DEPARTMENT REVENUES

Department revenues have increased by $7,008,570 or 14.8 percent and General Fund support has increased by $19,184,498 or 16.5 percent.

DESCRIPTION

The proposed net Fire Department budget for FY 2000-01 budget has increased by $27,767,144. Major increases include:

1. The budget for Salaries and Benefits has increased $15,707,350 or 10.36 percent from $151,656,323 in FY 1999-00 to $167,363,673 in FY 2000-01. Major increases/new positions include:

Department: **FIR FIRE DEPARTMENT (continued)**

- Retirement Payout costs associated with anticipated Firefighter retirement pay have increased by $750,000 or 50.0 percent from $1,499,170 to $2,249,170.

- An increase of 8 new Firefighter and 5 Firefighter/Paramedic FTE positions to staff a second engine company at Treasure Island. The annualized cost for each of these 13 new FTE for Permanent Salaries and Fringe Benefits is $78,575 at the top step.

- An increase of 9 FTE new Fire Rescue Paramedic for the new International Terminal at the Airport. The annualized cost for each of these 9 new FTE for Permanent Salaries and Fringe Benefits is $73,546 at the top step.

- A reclassification of 110 H1 Fire Rescue Paramedics and 27 H2 Firefighter positions to H3 Firefighter/Paramedic positions with an increased annual cost of $828,296 for Permanent Salaries and Fringe Benefits.

- Holiday and Premium pay costs has increased by $3,652,415 or 45.3 percent from $8,059,201 to $11,711,616.

- Overtime pay has increased by $3,344,193 or 60.5 percent from $5,525,635 to $8,869,828.

- An increase of 3.75 new personnel clerks to replace Uniformed personnel at the assignment desk. The annualized cost for the 5 new FTE for Permanent Salaries and Fringe Benefits is $51,236 at the top step.

- An increase of 0.75 for a new Departmental Personnel Officer. The annualized cost for this new FTE for Permanent Salaries and Fringe Benefits is $98,296 at the top step.

2. Materials and Supplies have increased $2,009,736 or 70.1 percent from $2,866,416 to $4,876,152. The increased funding of $1,900,000 for Uniforms and Personnel Protective Equipment represents almost all of this increase.

3. Equipment costs have increased $1,297,898 or 32.2 percent from $4,025,302 to $5,323,200. Equipment lease costs have decreased by $1,100,202, while equipment purchases have increased by $2,398,100. Major equipment replacement purchases include: 3 engines for $882,000, 3 ambulances for $399,000, rescue squad truck for $250,000 and a new ladder truck for Treasure Island costing $505,000.

4. Rental cost payable to the Treasure Island Project is budgeted for the first time in the amount of $2.1 million for rent associated with the Fire Training Facility at Treasure Island.

5. Department of Telecommunication and Information Services costs have increased by $815,304 or 26.7 percent from $3,050,250 to $3,865,554. These funds pay for the Fire Department's share of the operation and support of the 911 system and the Department's telephone services.

6. Workers Compensation costs have increased by $1,216,522 or 23.4 percent from $5,200,000 to $6,416,522.

7 Capital Improvements have increased by $3,925,720, to be funded from 1992 Fire Protection Bonds.

Department: **FIR FIRE DEPARTMENT (continued)**

8. Maintenance costs of the Auxiliary Work Supply System have increased by $1,031,979 or 81.4 percent from $1,268,021 to $2,300,000.

COMMENTS

1. Within the net increase of 10.30 FTEs, there are 26.50 budgeted new positions. Based on the justification provided, we are recommending approval of 9.5 FTEs of the 26.50 requested new positions. We are recommending disapproval of 17.00 FTEs, as explained in our recommendations.

2. The Mayor's budget provides a net increase of $29,556,653. Our recommended reductions, which total $5,091,319, would still allow an increase of $24,465,334 or 14.0 % in the Department's budget.

3. In addition our recommendations include $7,049,829 in reserves of the Fire Department's budget.

Department: FIR Fire Department

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
Fire Suppression (AEC)								
167	002	Permanent Salaries - Uniform				$103,278,142	$102,591,048	*
		*The recommended reduction in Permanent Salaries - Uniform is the total of the following specific recommendations regarding individual classifications.						
186	002	Fire Rescue Paramedic	H1S	(110.00)	(65.00)	(6,855,948)	(4,257,685)	(2,598,263)
		Firefighter	H2S	(27.00)	(55.00)	(1,696,977)	(3,264,690)	1,567,713
		Firefighter/Paramedic	H3S	137.00	120.00	9,941,964	8,224,320	1,717,644

The department currently has 101 FTE H3 Firefighter/Paramedic filled positions, which is 92 FTE H3 Firefighter/Paramedic positions more than the 9 positions which are currently authorized in the FY 1999-00 Board of Supervisors approved budget. The department reports that they are currently conducting a training class which will allow them to convert 28 FTE of additional H1 Fire Rescue Paramedic positions at the end of June 2000 to H3 Firefighter/Paramedic positions. After completion of this training class, the Department will have 129 H3 Firefighter/Paramedics, which is 120 more than the 9 H3 Firefighter/Paramedic positions currently authorized by the Board of Supervisors.

The cost to convert each H1 Fire Rescue Paramedic to H3 Firefighter/Paramedic is $3,579 per year for Permanent Salaries and Fringe Benefits at the top step. The cost to convert each H2 Firefighter to H3 Firefighter/Paramedic is $10,830 per year for Permanent Salaries and Fringe Benefits at the top step. The total annual cost to convert 65 - H1 Fire Rescue Paramedic positions and 55- H2 Firefighter positions to H3 Firefighter/Paramedic positions is $828,296 in Permanent Salaries and Fringe Benefits. Our recommendation is to convert 65- H1 Fire Rescue Paramedics FTE positions and 55 - H2 Firefighter FTE positions or a total of 120 such positions to 120 H3 Firefighter/Paramedic FTE positions instead of converting 110 H1 Fire Rescue Paramedics FTE positions and 27 H2 Firefighter FTE positions for a total savings of $687,094. This represents the number of H3 Firefighter/Paramedic FTE positions currently filled and the number of H1 Fire Rescue Paramedics and H2 Firefighters currently in the training program to become H3 Firefighter/Paramedic positions.

In summary, the Budget Analyst is recommending to convert 65 H1 Fire Rescue Paramedics and 55 H2 Firefighters or a total of 120 positions to H3 Firefighter/Paramedic positions and disapproving the conversion of 55 H1 Fire Rescue Paramedic FTE positions to H3 Firefighter/Paramedics for a savings of $687,094. This savings has taken into account the 5.5 percent salary increase effective July 1, 2000 for the H1 Firefighter/Paramedic FTE positions.

RECOMMENDATIONS OF THE BUDGET ANALYST FOR
AMENDMENT OF BUDGET ITEMS
2000-01

Department: FIR Fire Department

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
187	002	Retirement Payout	RTPOU N			$750,000	$750,000 *	

*The Department has not adequately justified these funds. These funds are used to pay retiring Uniform staff their vested vacation at retirement. According to Department staff most Uniformed Personnel retire either on June 30 or December 31. Therefore, the Department should be able to accurately compute the amount required for this expenditure. We recommend that these funds of $750,000 be reserved until the Fire Department can precisely compute the amount needed for Retirement Payouts based upon actual retirements.

167	011	Overtime				5,599,772	5,599,772 *	

* The budgeted amount included a $3.9 million transfer of Overtime Funds from Project PFC 120 - Firefighter Testing and Hiring Project as part of the Mayors Technical adjustments. The Budget Analyst recommends that 3/4 of the Overtime budget of $5,599,772 or $4,199,829 be reserved pending a report to the Board of Supervisors of all steps taken by the Department to ensure that the Department is complying with its Overtime appropriation limit as established by the Board of Supervisors. The Department's Overtime budget for all Divisions for FY 2000-01 has increased by $3,344,193 or 60.5 percent from $5,525,635 to $8,869,828.

According to Fire Department staff, based upon the existing overtime model used by the Department, the Department is fully funded for Overtime in FY 2000-01. A critical factor in this projection is the completion of 4 cadet classes in FY 2000-01 which will allow the Department to hire144 new Firefighters. The Department projects that in May and June 2001, the Department will have sufficient firefighting staff so that no overtime will be needed for these months. The Department made the same projection for FY 1999-00. However, a third budgeted cadet class was not conducted and as a result of this staffing shortage, the Department was forced to request a supplemental appropriation for Overtime totaling $1,099,656

167	012	Holiday Pay				260,746	0	260,746

Based on the provisions of the new firefighter MOU, Suppression personnel are no longer entitled to payment for Holidays. Instead, all Uniformed Suppression personnel are paid a 6% premium bi-weekly in place of holiday pay. The Suppression budget includes full funding of the Holiday Premium pay. Therefore our recommendation to eliminate this funding will result in no reduction of Firefighter compensation or services.

RECOMMENDATIONS OF THE BUDGET ANALYST FOR
AMENDMENT OF BUDGET ITEMS
2000-01

Department: FIR Fire Department

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
167	013	Mandatory Fringe Benefits				$ 17,554,872	$ 17,403,817	$ 151,055
		Corresponds to reduction in salaries.						
FC130 Firefighter Uniforms and Turnouts								
168	045	Safety				1,900,000	1,300,000	600,000

The Department has requested $1.9 million to provide uniform replacement, and personnel protective equipment (PPE) for firefighting staff. In addition the Department received $1,148,843 for uniforms and PPE in a supplemental approved in June 2000. Our review of the Department's proposed expenditures for the requested $1,900,000 indicates that the Department plans to expend $840,000 on uniform replacements. This includes $300,000 for replacement of 3,500 pants, and $350,000 for replacement of 1,750 boots. These two items account for $650,000 or 77 percent of the requested $840,000 for uniform replacements. The Department has not been able to provide an analysis of uniform inventory requirements or historical uniform purchases. We recommend that this $650,000 be reduced by $325,000 or 39 percent of the requested amount of $840,000, which will still allow the department to replace 1,750 pants and 875 boots, resulting in a savings of $325,000.

The Department's request also includes $550,000 to purchase 1,200 Turnout Coats which is part of the PPE. The intent of this request is to provide a second set of Turnout Coats for each Firefighter. The Budget Analyst understands the need for a second set of Turnout Coats is for safety reasons. However, the Budget Analyst believes that a second set of Turnout Coats for each Firefighter is excessive. Current authorized staffing in the Suppression Division is 347 Uniformed staff per 24 hour watch. Rather than purchasing an additional turnout coat for each firefighter, we recommend that the department purchase 600 Turnout Coats to establish a replacement reserve inventory for each Fire Department Facility. This reduction of 600 Turnout Coats will result in the savings of $275,000.

RECOMMENDATIONS OF THE BUDGET ANALYST FOR
AMENDMENT OF BUDGET ITEMS
2000-01

Department: FIR Fire Department

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
Fire Prevention (AED)								
170	012	Holiday Pay				$21,883	$11,993	$9,890
		Based upon the provision of the new Firefighter MOU, non-suppression personnel are entitled to Holiday Pay only for those holidays they actually work. The proposed reduction reduces Holiday Pay to FY 1999-00 spending level.						
170	013	Mandatory Fringe Benefits				715,078	714,040	1,038
		Corresponds to reduction in salaries.						
Fire Investigation (AEE)								
171	012	Holiday Pay				9,535	3,614	5,921
		Based upon the provision of the new Firefighter MOU, non-suppression personnel are entitled to Holiday Pay only for those holidays they actually work. The proposed reduction reduces Holiday Pay to FY 1999-00 spending level.						
171	013	Mandatory Fringe Benefits				169,640	169,018	622
		Corresponds to reduction in salaries.						
Fire Support Services (AEF)								
172	001	Permanent Salaries - Misc.				1,227,259	1,196,761	*
		*The recommended reduction in Permanent Salaries - Uniform is the total of the following specific recommendations regarding individual classifications.						
190	001	Personnel Clerk	1202N	3.75	3.00	152,489	121,991	30,498
		Disapprove the Department's request for 1 of 5 FTE new positions requested to staff the Department's assignment desk. This request for 5 FTE positions is offset by a reduction of 2 of the 4 - H20 Lieutenant FTE and a reduction of overtime. According to Department staff, the operational plan for the assignment desk provides for 4 FTEs per day or 28 work shifts per week. The Budget Analyst recommends the approval of 4 FTE new positions which, when combined with the remaining 2 Lieutenants will provide for 30 shifts per week. Therefore the Budget Analyst is recommending approval of 4 of the 5 requested positions.						

Department: FIR Fire Department

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
172	012	Holiday Pay				$20,033	$8,917	$11,116
		Based upon the provision of the new Firefighter MOU, non-suppression personnel are entitled to Holiday Pay only for those holidays they actually work. The proposed reduction reduces Holiday Pay to FY 1999-00 spending level.						
172	013	Mandatory Fringe Benefits				748,327	739,230	9,097
		Corresponds to reduction in salaries.						
172	040	Materials and Supplies				551,233	0	551,233
		The Department has not adequately justified this request. The Department's Materials and Supply budget for FY 2000-01 has increased by $2,009,736 or 70.1 percent from $2,866,416 to $4,876,152. This 70.1 percent increase is primarily related to the $1.9 million increased appropriation for Uniforms as discussed above. In May 2000, the Board of Supervisors approved a Supplemental Appropriation totaling $1,148,843 for Uniforms which included over $500,000 that the Department had already expended from its FY 1999-00 $2,866,416 budget. As a result of the additional funding of $1.9 million for Uniforms in FY 2000-01 the Department is able to reallocate a portion of their FY 1999-00 Materials and Supplies budget previously allocated to Uniforms to other items. The Department's request in this budget is the result of this reallocation.						
		The Budget Analyst recommends that these funds be denied as the Department has not been able to justify this request of $551,233. This recommendation for FY 2000-01 would still provide the Department with $3,724,919 for Materials and Supplies which is an increase of $858,503 or 30.0 percent over the FY 1999-00 Materials and Supplies budget of $2,866,416.						
ire Bureau of Training (AEG)								
174	011	Overtime				363,981	225,000	138,981
		Reduce the requested amount by $138,981. This will still provide the Training Division $225,000 or 23.1 percent more than the $182,820 it is projected to expend in FY 1999-00.						
174	012	Holiday Pay				21,053	5,569	15,484
		Based upon the provision of the new Firefighter MOU, non-suppression personnel are entitled to Holiday Pay only for those holidays they actually work. The proposed reduction reduces Holiday Pay to FY 1999-00 spending level.						

Department: FIR Fire Department

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings	
174	013	Mandatory Fringe Benefits				$236,981	$220,762	$16,219	
		Corresponds to reduction in salaries.							
174	081	Services of Other Departments				2,145,000	2,145,000		*
		The Fire Department's FY 2000-01 budget includes for the first time a $2.1 million rental payment to the Treasure Island Project for use of the Fire Training Facility located on Treasure Island. According to Treasure Island staff, the rental amount is based upon a preliminary appraisal figure from an independent appraiser. However, the final appraisal has not been completed at this time. The proposed rental does not include the fire house that the Department is currently using, although Treasure Island staff stated that they may request rent for this structure in the future. Treasure Island staff further report that the Treasure Island project is required by Tide Island Legislation to charge all users, including public entities, fair market rental for all property. The City Attorney is currently preparing a rental agreement for approval by the appropriate jurisdictions including the Board of Supervisors. As this agreement has not yet been approved by the Board of Supervisors, the Budget Analyst recommends that this $2.1 million rental payment be reserved until such time as the rental agreement and the details of the rental costs are submitted to the Board of Supervisors for review and approval.							
Work Order Services (AEH)									
176	06F	Facilities Maintenance Projects				2,300,000	1,300,000	1,000,000	
		To reduce to current budget amount for maintenance of the Auxiliary Water Supply System. The Department budgeted $1,268,021 for this project in FY 1999-00, and is projected to spend only approximately $740,000. The proposed reduction of $1,000,000 will still allow $240,000 or 32.4 percent more than their current spending in FY 1999-00							
CFC916 Treasure Island Fire Protection (ECN)									
177	002	Permanent Salaries - Uniform				2,069,889	1,615,830		*
		*The recommended reduction in Permanent Salaries - Uniform, is the total of the following specific recommendations regarding individual classifications.							

RECOMMENDATIONS OF THE BUDGET ANALYST FOR
AMENDMENT OF BUDGET ITEMS
2000-01

Department: FIR Fire Department

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
194	002	Firefighter	H2N	8.00	0.25	$502,808	$15,713	$487,095
	002	Firefighter	H2S	0.00	(3.00)	0	188,553	(188,553)
	002	Lieutenant	H20A	4.00	5.00	291,818	364,773	(72,955)
	002	Firefighter/Paramedic	H3S	0.00	3.00	0	217,707	(217,707)
	002	Firefighter/Paramedic	H3N	5.00	0.00	362,845	0	362,845
	002	Captain	H30N	1.00	0.00	83,334	0	83,334

The department has not adequately justified the addition of 13 FTE of new positions for the Treasure Island Project. The Fire Department currently staffs an engine company, which requires 1 officer and 3 firefighters and a hose tender which requires 1 officer and 1 firefighter. Total authorized staffing for three 24-hour watches is 6 officers and 12 firefighters. All paid absences are covered by Overtime budgeted expenditures of $489,789 annually. However, actual FY 1999-00 Overtime expenditures for Treasure Island are projected to be $120,000.

The Department is asking for 13 additional staff to replace the hose tender with a ladder truck, which requires 1 one officer and 4 firefighters per 24-hour shift. The net increase would be 3 FTE new firefighters positions per 24 hour watch or a total of 9 FTE new positions.

The Department has stated that the new ladder truck is needed in order to reach a single 5-story building that will be occupied during the year. The 13 additional staff that the Department is requesting will cost a total of $1,021,471 in Permanent Salaries and Fringe Benefits at the top step. In addition, the Department is requesting an additional $371,182 or 75.8 percent increase in Overtime from the existing Overtime budget of $489,789. The Budget Analyst believes that the requested increase of $1,392,653 to provide the capability to protect one building is excessive.

The Budget Analyst recommends that the Fire Department purchase the new ladder truck, but replace staff for the existing engine instead of the hose tender. This will result in a net increase of only 1 firefighter per 24-hour watch. Further, since the Fire Department does not have any Paramedics assigned to Treasure Island, 3 existing Firefighter positions should be substituted with Firefighter/Paramedic positions. In addition, the Department has requested a new Captain position. However, this position should have been shown as a substitution for an existing Lieutenant position. Consistent with the recommendation to replace the engine rather than the hose tender, the Budget Analyst recommends denial of the new Captain position and reinstatement of the deleted Lieutenant position. Finally, we recommend 0.25 new H2 Firefighter FTE position be added to reflect the additional staff needed to staff the new ladder truck. According to Fire Department staff, the new truck will not arrive until March 2001 Therefore the new position should be added for only 3 months to reflect the time it will take for the Fire Department to receive the new truck.

In summary, the Budget Analyst is recommending approval of 0.25 H2 Firefighter FTE positions, the substitution of 3 H2 Firefighter FTE positions to H3 Firefighter/Paramedic FTE positions. Further, the Budget Analyst is recommending disapproval of 7.75 H2 Firefighter FTE positions and of the substitution of 1 H20 Lieutenant FTE position to an H30 Captain FTE position The total of these recommendations result in a savings of $454,059

177	011	Overtime	907,773	200,000		707,773

Reduce the requested amount by $707,773. Our recommendation of $200,000 will still provide the Treasure Island Project with $80,000 or 67 percent more than the $120,000 it is projected to expend in FY 1999-00.

RECOMMENDATIONS OF THE BUDGET ANALYST FOR
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2000-01

Department: FIR Fire Department

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
177	013	Mandatory Fringe Benefits				$372,956	$216,909	$156,047
		Corresponds to reduction in salaries						
178	086	Interdepartmental Recovery				(3,397,191)	(2,079,312)	•
		* Corresponds to reduction above related to Treasure Island Project.						
Fire Airport (AEM)								
181	002	Permanent Salaries - Misc.				5,839,540	5,722,444	•
		*The recommended reduction in Permanent Salaries - Uniform is the total of the following specific recommendations regarding individual classifications.						
197	002	Fire Rescue Paramedic	H1 N	9.00	6.75	560,942	443,846	117,096
		The department has budgeted the requested 9 new FTE positions for full year funding. However, the department did not receive approval to fill these positions during the interim period. Therefore we recommend that the number of new positions be reduced from 1.0 FTE each to 0.75 FTE each for a total of 6.75 FTEs instead of 9 FTEs.						
181	013	Mandatory Fringe Benefits				1,130,013	1,108,936	21,077
		Corresponds to reduction in salaries.						
Administration - Fire Department (ASF)								
182	001	Permanent Salaries - Misc.				1,758,489	1,642,399	•
		*The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.						

RECOMMENDATIONS OF THE BUDGET ANALYST FOR
AMENDMENT OF BUDGET ITEMS
2000-01

Department: FIR Fire Department

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
198	001	Training Officer	1232 S	(1.00)	0.00	($59,959)	$0	($59,959)
198	001	Personnel Analyst	1242S	(1.00)	0.00	(54,246)	0	(54,246)
198	001	Senior Personnel Analyst	1244S	0.00	2.00	140,188	0	140,188
198	001	Special Assistant XIII	1372S	1.00	0.00	79,975	0	79,975
199	001	Management Assistant	1842S	(1.00)	0.00	(54,262)	0	(54,262)
199	001	Senior Management Asst.	1844S	(1.00)	0.00	(62,196)	0	(62,196)
199	001	Senior Purchaser	1956S	0.00	1.00	66,769	0	66,769
		To deny requested position reclassifications not approved by the Director of Human Resources.						
198	001	Departmental Personnel Officer	1270N	0.75	0.00	59,821	0	59,821
		To disapprove the addition of a 0.75 Departmental Personnel Officer. The Department has not justified the addition of one new Departmental Personnel Officer which has an annual salary of $78,102. The Department currently has two high-level personnel positions: an Assistant Division Manager for Personnel at $93,210, and a Special Assistant XV at $90,567. In addition, the Human Resources Division has 5 Personnel Analysts who perform personnel functions for the Fire Department. The addition of a third high-level personnel position is not justified.						
182	013	Mandatory Fringe Benefits				549,482	519,299	30,183
		Corresponds to reduction in salaries.						
		Total Recommended Reductions						$ 5,091,319
		Total Reserves						$ 7,049,829

DEPARTMENT: JUV JUVENILE PROBATION

FINANCIAL DATA:

The Juvenile Probation Department's proposed $35,185,424 budget for FY 2000-01 is $7,675,836 or 27.90 percent more than the original FY 1999-2000 budget of $27,509,588. The net increase from the revised FY 1999-2000 budget is $7,312,827 or 26.24 percent.

SUMMARY OF PROGRAM EXPENDITURES:

Program Expenditures	Fiscal Year 1999-2000 Original	Fiscal Year 1999-2000 Revised	Mayor's Budget Fiscal Year 2000-2001	Proposed Increase (Decrease) From 1999-2000 Original Budget
Administration	$ 4,734,211	$ 4,666,931	$ 5,350,690	$ 616,479
CHF-Juvenile Probation	194,000	194,000	194,000	-
Children's Baseline	1,799,691	1,798,427	1,808,376	8,685
Grant Services	37,000	370	37,000	-
Juvenile Hall	7,903,278	8,203,297	8,551,575	648,297
Log Cabin Ranch	2,630,869	2,762,364	2,666,144	35,275
Probation Services	9,900,539	10,260,686	10,927,545	1,027,006
Total Operating Expenditures	$ 27,199,588	$ 27,886,075	$ 29,535,330	$ 2,335,742
Capital Improvements & Fac. Maint.	310,000	(13,478)	5,650,094	5,340,094
Total Expenditures	$ 27,509,588	$ 27,872,597	$ 35,185,424	$ 7,675,836
Interdepartmental Recoveries	(501,124)	(501,124)	(557,270)	(56,146)
Net Expenditures	$ 27,008,464	$ 27,371,473	$ 34,628,154	$ 7,619,690

Department: JUV JUVENILE PROBATION (continued)

DEPARTMENT PERSONNEL SUMMARY:

The number of full-time equivalent positions budgeted for FY 2000-01 is 312.94 FTEs, which is 1.39 FTEs less than the 314.33 FTEs in the original FY 1999-2000 budget. The FTE allocations by program are as follows:

Full Time Equivalents	Fiscal Year 1999-2000 Original	Fiscal Year 1999-2000 Revised	Mayor's Budget Fiscal Year 2000-2001	Increase (Decrease) From 1999-2000 Original Budget
Administration	44.76	44.76	44.76	-
Children's Baseline	8.63	8.63	8.63	-
Juvenile Hall	126.93	126.93	126.82	(0.11)
Log Cabin Ranch	29.23	29.23	29.22	(0.01)
Probation Services	104.78	104.78	103.51	(1.27)
Total	314.33	314.33	312.94	(1.39)

DEPARTMENT REVENUES

Department revenues have increased by $462,847 or 6.5 percent and General Fund support has increased by $7,156,843 or 36 percent.

DESCRIPTION

The $7,675,836 increase in the Department's proposed budget is explained primarily by:

- Replacement of the Juvenile Hall facility, which is funded by capital projects funds, would have a first year additional cost of $5,340,094
- Permanent salaries proposed to increase by $229,557 due to the addition of three new positions (one 1372 Special Assistant XI, one 1840 Junior Management Assistant, and one 8320 Juvenile Hall Counselor), the elimination of one position (one grant-funded 8444 Deputy Probation Officer), the annualized cost of a new position added for only a portion of the last fiscal year, two upward substitutions, and step increases.

Department: JUV JUVENILE PROBATION (continued)

- Overtime would increase by $54,000
- Mandatory Fringe Benefits would increase by $1,045,106, primarily due to the FY 2000-01 reinstatement of mandatory employer contributions to the Public Employee Retirement System.
- Purchases of computer equipment and office furnishings totaling $178,989
- $51,991 in additional funds to purchase food
- An additional $717,386 for Other Current Expenses, funded by a grant. This money will go toward a number of projects to repair Log Cabin Ranch facilities and improve Log Cabin Ranch programs.
- Expenditures on services of other departments would be increased by $152,631. This is primarily made up of services from the Department of Telecommunication and Information Service ($128,356), and increased workers' compensation payments.
- $146,882 in increase spending on miscellaneous other expenses.
- Offsetting these increases is a reduction in Temporary Salaries of $131,181.

COMMENT

The Mayor's budget provides an increase of $7,675,836. Our recommended reductions, which total $134,667, would still allow an increase of $7,541,169 or 27.4% in the Department's budget.

RECOMMENDATIONS OF THE BUDGET ANALYST FOR
AMENDMENT OF BUDGET ITEMS
2000-01

Department: Juvenile Probation

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
Juvenile Hall								
220	001	Permanent Salaries - Misc. * The recommended reductions in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.				$5,288,123	$5,253,495	*
235		Counselor - Juvenile Hall Disapprove one new Counselor-Juvenile Hall position at an annual salary cost of approximately $46,171. The Department already has 81 authorized 8320 Counselor positions, but 9 of these positions are currently vacant including one which has been vacant since September 1999. We are, however, recommending approval of one new 1372 Special Assistant XI and one new 1840 Junior Management Assistant.	8320	0.75	0	34,628	0	34,628
220	013	Mandatory Fringe Benefits Corresponds to reduction in salaries.				1,652,068	1,643,065	9,003
220	011	Overtime Reduce requested overtime by $54,000. The Department requires overtime at Juvenile Hall only because it has not filled its vacant counselor positions (see above).The Department plans to fill these positions as soon as possible and therefore does not				169,000	115,000	54,000

Department: Juvenile Probation

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
		possible and therefore does not need additional overtime funding. Our recommendation would still provide $115,000 in overtime, which is equal to the FY 1999-00 budget.						
Administration								
227	001	Permanent Salaries - Misc.				2,308,706	2,301,565	*
		* The recommended reductions in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.						
238		Attrition Savings				(155,472)	(162,613)	7,141
		Increase attrition savings to correspond with the incremental salary and benefits a 1926 Senior Materials and Supplies Supervisor received due to an upward substitution to an 1842 Management Assistant not previously approved by the Board of Supervisors. The upward reclassification was made in FY 1999-00. This recommendation will enable the Department to continue to maintain the existing filled position at the higher salary and fringe benefit cost, but will not result in additional expenditures for the Department because an offsetting amount will be eliminated from the budget by this increase in attrition savings.						

RECOMMENDATIONS OF THE BUDGET ANALYST FOR
AMENDMENT OF BUDGET ITEMS
2000-01

Department: Juvenile Probation

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
228	060	Equipment Purchase				$178,989	$149,094	$29,895
		Reduce the requested amount by $29,895, which represents a 50% reduction in funds to purchase office furniture and some computers. Based on the Budget Analyst's cost estimates, Department estimates for this equipment are too high. Our recommendation would still amount to an increase of $149,094 over the Department's FY 1999-00 Equipment Purchase budget.						
		Total Recommended Reductions						$134,667

DEPARTMENT: **PDR PUBLIC DEFENDER**

FINANCIAL DATA:

The Public Defender's proposed $12,834,833 budget for FY 2000-01 is $614,298 or 5.03 percent more than the original FY 1999-2000 budget of $12,220,535. The net increase from the revised FY 1999-2000 budget is $414,411 or 3.34 percent.

SUMMARY OF PROGRAM EXPENDITURES:

Program Expenditures	Fiscal Year 1999-2000 Original	Fiscal Year 1999-2000 Revised	Mayor's Budget Fiscal Year 2000-2001	Proposed Increase (Decrease) From 1999-2000 Original Budget
Criminal and Special Defense	$ 12,168,453	$ 12,201,470	$ 12,779,810	$ 611,357
Grant Services	52,082	218,952	55,023	2,941
Total Expenditures	$ 12,220,535	$ 12,420,422	$ 12,834,833	$ 614,298

DEPARTMENT PERSONNEL SUMMARY:

The number of full-time equivalent positions budgeted for FY 2000-01 is 116.38 FTEs, which is 2.60 FTEs more than the 113.78 FTEs in the original FY 1999-2000 budget. The FTE allocations by program are as follows:

Full Time Equivalents	Fiscal Year 1999-2000 Original	Fiscal Year 1999-2000 Revised	Mayor's Budget Fiscal Year 2000-2001	Proposed Increase (Decrease) From 1999-2000 Original Budget
Criminal and Special Defense	112.78	112.78	115.38	2.60
Grant Services	1.00	1.00	1.00	-
Total	113.78	113.78	116.38	2.60

Department: **PDR PUBLIC DEFENDER (continued)**

DEPARTMENT REVENUES

Department revenues have increased by $2,941 or 5.7 percent and General Fund support has increased by $611,357, or 5.1 percent.

DESCRIPTION

The $614,298 in proposed increased expenditures compared to the Department's original FY 1999-00 budget is comprised of several components, as follows:

Increased salary and benefits costs for:	
▫ new positions added last fiscal year	$353,269
▫ temporary salaries for enhanced used of law school graduate interns	58,642
▫ substitutions of existing positions for more costly positions	23,645
Increases in rent	85,735
Increase in equipment purchases	17,431
Increased services of other departments, mostly DTIS	172,658
Mandatory fringe benefits cost increase	58,000
Attrition savings offset	(133,697)
Net step adjustments/other increases	(21,385)
	$614,298

Explanations for the cost increases are as follows.

Personnel costs

New positions added in FY 1999-00: The Department added nine positions in FY 1999-00 to assume responsibility for one of the Superior Court's four preliminary hearing courtrooms. At the time, indigent defendants in that courtroom were being represented by more costly private court appointed counsel. The additional FY 2000-01 salary and benefits costs for the first full year of these new positions will be approximately $353,269.

Position substitutions: The Department is proposing deleting two 8180 Principal Attorney positions and replacing them with two 8182 Head Attorney positions and deleting one 1458 Legal Secretary I

Department: **PDR PUBLIC DEFENDER (continued)**

position and replacing it with one 1460 Legal Secretary II position. The impact on the Department's salary costs would be as follows:

	Classification	# FTE 2000-01	Salary/Benefits 2000-01
8180	Principal Attorney	-2.0	$(253,103)
8182	Head Attorney	2.0	250,725
1458	Legal Secretary I	-1.0	(53,192)
1460	Legal Secretary II	1.0	$57,263
	Total	0.0	$21,693

With mandatory fringe benefits, total cost increases from these substitutions would be $23,645.

Temporary salaries: The Department is proposing increasing its temporary salaries budget by $53,800 from $23,000 in FY 1999-00 to $76,800 in FY 2000-01. The additional funding would pay for year round use of law school graduates to conduct legal research in between the time they graduate and pass the Bar exam. Currently two such temporary employees are hired for approximately 3.5 months each. With mandatory fringe benefits, the total increase for these positions would be $58,642.

Attrition savings: Attrition savings are proposed to increase by $133,697, or 1.7 FTEs, in FY 2000-01.

Non-personnel costs

The Department is proposing acquiring three new vehicles for the investigator staff in FY 2000-01 for a total cost of $64,500. Other non-personnel cost increases are proposed for increased rent and Services of Other Departments, mostly the Department of Telecommunications and Information Services (DTIS).

COMMENT

The Mayor's budget provides an increase of $614,298. Our recommended reductions, which total $62,608, would still allow an increase of $551,690 or 4.5% in the Department's budget.

RECOMMENDATIONS OF THE BUDGET ANALYST FOR
AMENDMENT OF BUDGET ITEMS
2000-01

Department: PDR - Public Defender

Page No.	Object	Account Title	Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
Criminal and Special Defense								
247	001	Permanent Salaries	250725			$8,786,511	$8,768,889	*
		* The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.						
251		Principal Attorney	8180 S	(2.00)	0.00	(233,103)	$0	($233,103)
251		Head Attorney	8182 S	2.00	0.00	250,725	0	250,725
		These position upgrades are being requested because the Principal Attorneys are providing supervision to other staff attorneys. The Department overall has 8 Head Attorneys to supervise 72 staff attorneys, or one Head Attorney for every nine staff attorneys. This existing staffing level provides for a sufficient number of supervisors.						
247	013	Mandatory Fringe Benefits				1,953,772	1,952,186	1,586
		Corresponds to reduction in salaries.						

RECOMMENDATIONS OF THE BUDGET ANALYST FOR
AMENDMENT OF BUDGET ITEMS
2000-01

Department: PDR - Public Defender

Page No.	Object	Account Title	Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
247	005	Temporary Salaries				$76,800	$49,900	$26,900
		These funds are requested to expand the Department's hiring of law school graduates to conduct legal research between graduation and receipt of their Bar examination results. The current level of funding for these temporary employees allows for the hiring of two employees for 3.5 months each. The requested funding level would enable the Department to hire two temporary employees for twelve months each. The Budget Analyst recommends funding for one such position year round and deletion of funding for the second proposed position. This would allow the Department to evaluate the effectiveness and turnover for such employees on a year round basis before determining if additional funding is warranted.						
247	060	Equipment Purchase				64,500	48,000	*
		* The recommended reduction in equipment is the total of the following specific recommendations.						
255		Sedan	VSCG	2	1	38,000	21,500	16,500
		The Budget Analyst recommends approval of two of the requested three new vehicles for the Department. Justification for a third vehicle is not sufficient.						
		Total Recommended Reductions						$62,600

DEPARTMENT: POL POLICE

FINANCIAL DATA:

The Police Department's proposed $275,160,354 budget for FY 2000-01 is $13,930,977 or 5.33 percent more than the original FY 1999-2000 budget of $261,229,377. The net increase from the revised FY 1999-2000 budget is $13,117,378 or 5.01 percent.

SUMMARY OF PROGRAM EXPENDITURES:

Program Expenditures	Fiscal Year 1999-2000 Original	Fiscal Year 1999-2000 Revised	Mayor's Budget Fiscal Year 2000-2001	Proposed Increase (Decrease) From 1999-2000 Original Budget
911/Communications	$ -	$ -	$ -	$ -
Airport Police	23,924,422	23,924,422	26,649,579	2,725,157
Fingerprint	3,510,500	3,510,500	2,691,500	(819,000)
Narcotics Forfeiture	446,097	446,097	1,290,004	843,907
Office of Citizen Complaints	2,525,735	2,525,735	2,509,820	(15,915)
Office of Emergency Service	-	135,970	-	-
Operations and Administration	40,626,504	40,951,504	44,010,299	3,383,795
Patrol	127,329,865	127,329,865	132,961,336	5,631,471
Police Operations	-	-	99,986	99,986
Police Services	-	110,000	110,000	110,000
Safe Contract	571,134	571,134	586,254	15,120
Senior Escort Service	1,362,690	1,362,690	1,388,842	26,152
SFPD-Investigations	25,622,817	25,622,816	26,702,148	1,079,331
SFPD-Recruitment and Examination	1,927,997	1,927,997	1,996,088	68,091
Special Investigations	8,769,513	8,769,513	9,222,753	453,240
Special Operations	20,535,755	20,535,755	21,577,438	1,041,683
Taxi Enforcement	890,525	890,525	1,107,000	216,475
Vehicle Theft Abatement	150,000	392,630	150,000	0
Work Order Services	2,480,823	2,480,823	1,997,307	(483,516)
Total Operating Expenditures	$ 260,674,377	$ 261,487,976	$ 275,050,354	$ 14,375,977
Capital Improvements & Fac. Maint.	555,000	555,000	110,000	(445,000)
Total Expenditures	$ 261,229,377	$ 262,042,976	$ 275,160,354	$ 13,930,977
Less Work Order Recoveries	(4,741,443)	(4,741,443)	(2,108,407)	2,633,036
Net Expenditures	$ 256,487,934	$ 257,301,533	$ 273,051,947	$ 16,564,013

Department: **POL POLICE (continued)**

DEPARTMENT PERSONNEL SUMMARY:

The number of full-time equivalent positions budgeted for FY 2000-01 is 2,781.53 FTEs, which is 39.36 FTEs more than the 2,742.17 FTEs in the original FY 1999-2000 budget. The FTE allocations by program are as follows:

	Fiscal Year 1999-2000		Mayor's Budget Fiscal Year	Proposed Increase (Decrease) From 1999-2000
Full Time Equivalents	**Original**	**Revised**	**2000-2001**	**Original Budget**
Airport Police	328.16	328.16	348.75	20.59
Fingerprint	-	-	-	-
Office of Citizen Complaints	29.47	29.47	29.46	(0.01)
Operations and Administration	236.45	236.45	252.78	16.33
Patrol	1,407.26	1,407.26	1,405.47	(1.79)
Police Operations	-	-	1.00	1.00
Police Services	-	-	1.00	1.00
Senior Escort Service	21.90	21.90	21.89	(0.01)
SFPD-Investigations	299.00	299.00	299.50	0.50
SFPD-Recruitment and Examination	17.00	17.00	17.00	-
Special Investigations	104.00	104.00	104.00	-
Special Operations	272.18	272.18	272.18	-
Taxi Enforcement	6.75	6.75	8.50	1.75
Work Order Services	20.00	20.00	20.00	-
Total	2,742.17	2,742.17	2,781.53	39.36

DEPARTMENT REVENUES

Department revenues have increased by $2,631,912 or 6.4 percent. General Fund support has increased by $10,393,344 or 5.4 percent.

Department: **POL POLICE (continued)**

DESCRIPTION

1. Initiatives funded in the FY 1999-00 San Francisco Police Department (SFPD) budget included the hiring of 200 Police Officers, using increased General Fund support and approximately $4.8 million in grant funding. The SFPD's FY 1999-00 budget also included funding of $2,521,876 for an Accelerated Hiring Program to recruit and conduct background examinations of lateral transfer applicants from other Law Enforcement Agencies as well as new recruits. The SFPD included 15 new Police Cadet positions in the FY 1999-00 budget and the Airport Police budget added funding for 35 Full Time Equivalent Police Officers.

The SFPD reports that they will have hired 207 new Police Officers during FY 1999-00, including 45 recruits who are scheduled to begin their Police Academy Class on June 26, 2000. However, 90 Police Officers have left the Department during FY 1999-2000, fifty percent more than the attrition assumption of 60 Police Officers used in formulating the Police Department's budget. Overall, for FY 1999-2000, the SFPD is projected to expend Uniform Salaries by approximately $2,000,000 less than the amount budgeted. However, this expenditure surplus is offset by expenditure deficits in Miscellaneous Salaries of approximately $900,000 and an expenditure deficit for Overtime of approximately $3,900,000. The 15 new Police Cadet positions therefore remain vacant. Overall, the SFPD expects to balance its FY 1999-2000 expenditure deficits through savings in other, non-salary accounts. Also, the FY 1999-2000 Airport Police budget for Salaries and Fringe Benefits has a projected surplus of approximately $1,400,000.

2. The SFPD's proposed FY 2000-01 budget includes four new Miscellaneous positions (3.0 FTE), including three General Fund positions (2.25 FTE) for one Personnel Clerk and two Payroll Clerks at a FY 2000-01 cost of $82,861 to provide administrative support for the increased number of Uniform Police Officers. The Airport Police budget includes one new position (0.75 FTE) for an Administrator III position.

The SFPD's budget includes an increase of 23.5 FTE resulting from the continued, full year funding of new positions added in the FY 1999-2000 budget. One Miscellaneous position, a Legal Process Server Clerk, has been eliminated. Attrition Savings for Miscellaneous Salaries has been reduced by $761,492, representing additional funding for 16.34 FTE. A net decrease in Temporary salaries funding reduces the SFPD FTE count by 3.85 FTE.

A net increase of 1.39 Uniform FTE results from the combined effect of continued funding for Uniform positions added for a portion of FY 1999-2000, grant funded positions and adjustments to Uniform Attrition Savings.

3. For FY 2000-01, the SFPD proposed budget again provides funding for the hiring of 200 new Police Officers, with expected attrition of 90 Police Officers throughout the year. At the end of FY 2000-2001, the SFPD projects total sworn staffing of 2,250 Police Officers, including 160 Airport Police

Department: **POL POLICE (continued)**

Officers and 130 Police Officers on Modified Duty, including temporary disability. The remaining 1,960 Police Officers (2,250 less 160 less 130) would result in a total of 1,960 "full duty sworn officers" or 11 fewer Police Officers than the 1,971 "full duty sworn officers" specified under Police Staffing provisions included in Charter Section 4.127.

4. The SFPD's proposed FY 2000-01 General Fund budget includes overtime funds in the amount of $12,754,205, or $1,650,000 more than the $11,104,205 in overtime funding in the original FY 1999-00 budget. However, as noted above, the SFPD anticipates an overtime spending deficit for FY 1999-00 totaling $3,900,000. Therefore, even with the increase of $1,650,000 in the FY 2000-01 overtime budget, the SFPD appears to be underfunded for overtime by the amount of $2,250,000 based on current year expenditures.

5. The SFPD's proposed FY 2000-01 General Fund budget includes expenditures for purchase of equipment (primarily Police vehicles and related equipment and Crime Lab equipment) in the amount of $3,800,000, which is $2,753,146 more than the equipment expenditures included in the FY 1999-00 budget of $1,046,854. However, as with other General Fund departments, increased spending on outright equipment purchase, rather than lease financing of equipment, will produce considerable savings in future fiscal years.

COMMENT

The Mayor's budget provides an increase of $13,930,977. Our recommended reductions, which total $2,264,405, would still allow an increase of $11,666,572 or 4.5% in the Department's budget. Also, our recommended reductions will not impact the SFPD's ability to meet its hiring program of 2000 Police Officers.

RECOMMENDATIONS OF THE BUDGET ANALYST FOR
AMENDMENT OF BUDGET ITEMS
2000-01

epartment: POL - Police

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
290	001	Permanent Salaries-Misc				$ 5,422,266	$ 5,347,266	*
		The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations.						
301	001	Attrition Savings	9993M			(1,198,314)	(1,273,314)	$75,000
		Increase Miscellaneous Attrition Savings to amount required to provide full funding for existing Civilian staffing plus two new positions (0.75 FTE) for Personnel and Payroll administration.						
290	013	Mandatory Fringe Benefits				2,944,614	2,925,114	19,500
		Reduction to Mandatory Fringe Benefits corresponding to Reduced Permanent Salaries - Miscellaneous.						
301	035	Other Current Expenditures				471,250	259,250	212,000
		Reduce Other Current Expenditures to level of current spending for Recruitment and Examination Program adjusted for hiring needs of sworn personnel in FY 2000-01.						

RECOMMENDATIONS OF THE BUDGET ANALYST FOR
AMENDMENT OF BUDGET ITEMS
2000-01

Department: POL - Police

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
305	002	Permanent Salaries -Uniform				82,577,248	80,918,006	
		The recommended reduction in Permanent Salaries - Uniform is the total of the following specific recommendations.						
333	002	Attrition Savings - Uniform	9993U			(4,452,038)	(6,111,280)	1,659,242
		Increase Attrition Savings - Uniform to level that will still provide adequate funding for hiring of 200 new Police Officers during FY 2000-01 in accordance with the Department's hiring plan and will not impair the Department's planned staffing in relation to Charter Section 4.127 which requires full staffng of 1,971 Police Officers.						
305	013	Mandatory Fringe Benefits				13,976,471	13,677,808	298,663
		Reduction to Mandatory Fringe Benefits corresponding to Reduced Permanent Salaries - Uniform.						
		Total Recommended Reductions						$ 2,264,405

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS 2000-01

DEPARTMENT: SHF SHERIFF

FINANCIAL DATA:

The Sheriff Department's proposed $96,675,920 budget for FY 2000-01 is $16,394,427 or 20.42 percent more than the original FY 1999-2000 budget of $80,281,493. The net increase from the revised FY 1999-2000 budget is $15,819,692 or 19.57 percent.

SUMMARY OF PROGRAM EXPENDITURES:

Program Expenditures	Fiscal Year 1999-2000 Original	Fiscal Year 1999-2000 Revised	Mayor's Budget Fiscal Year 2000-2001	Proposed Increase (Decrease) From 1999-2000 Original Budget
Alternative Programs	$ 5,230,026	$ 5,230,026	$ 6,394,342	$ 1,164,316
Besk Case	2,278,165	2,803,572	2,515,088	236,923
Civil Enforcement	1,971,370	2,121,370	1,974,099	2,729
County Jail 8 & 9	15,647,561	15,647,561	17,703,829	2,056,268
Court Security and Process	6,200,001	6,200,001	7,078,550	878,549
Departmental Services	6,515,546	6,515,546	8,593,524	2,077,978
Grant Services	937,889	933,624	2,631,065	1,693,176
Hall of Justice Jails	14,087,801	14,087,801	15,816,005	1,728,204
Jail Programs	1,898,011	1,898,011	1,916,550	18,539
Jail Services	8,168,965	8,168,965	9,144,283	975,318
San Bruno Jails	14,324,505	14,323,083	16,097,719	1,773,214
Sheriff Administration	1,336,381	1,336,381	1,750,098	413,717
Treasure Island Jail	-	1,422	-	-
Work Order Services	1,335,272	1,764,272	1,433,769	98,497
Total Operating Expenditures	$ 79,931,493	$ 81,031,635	$ 93,048,921	$ 13,117,428
Facilities Maintenance	350,000	(175,407)	3,626,999	3,276,999
Total Expenditures	$ 80,281,493	$ 80,856,228	$ 96,675,920	$ 16,394,427
Less Work Order Recoveries	(7,535,272)	(7,964,272)	(8,512,319)	(977,047)
Net Expenditures	$ 72,746,221	$ 72,891,956	$ 88,163,601	$ 15,417,380

Department: **SHF SHERIFF (continued)**

DEPARTMENT PERSONNEL SUMMARY:

The number of full-time equivalent positions budgeted for FY 2000-01 is 892.07 FTEs, which is 4.18 FTEs less than the 896.25 FTEs in the original FY 1999-2000 budget. Though the Department is requesting additional positions, the FTE count is decreasing because of an increase in attrition savings compared to FY 1999-00. In FY 1999-00, the Department's attrition savings were reduced on a one-time basis to provide funding to fill many of the Department's vacancies.

The FTE allocations by program are as follows:

Full Time Equivalents	Fiscal Year 1999-2000 Original	Fiscal Year 1999-2000 Revised	Mayor's Budget Fiscal Year 2000-2001	Proposed Increase (Decrease) From 1999-2000 Original Budget
Alternative Programs	25.00	25.00	24.00	(1.00)
Besk Case	33.00	33.00	33.00	-
Civil Enforcement	24.06	24.06	24.06	-
County Jail 8 & 9	189.09	189.09	188.68	(0.41)
Court Security and Process	87.25	87.25	87.25	-
Departmental Services	71.85	71.85	71.39	(0.46)
Grant Services	4.00	4.00	4.84	0.84
Hall of Justice Jails	164.77	164.77	162.77	(2.00)
Jail Programs	11.06	11.06	9.56	(1.50)
Jail Services	101.00	101.00	101.00	-
San Bruno Jails	160.17	160.17	159.52	(0.65)
Sheriff Administration	11.00	11.00	12.00	1.00
Work Order Services	14.00	14.00	14.00	-
Total	896.25	896.25	892.07	(4.18)

DEPARTMENT REVENUES

Department revenues have increased by $3,357,581, or 100.5 percent, from $3,340,889 in FY 1999-00 to $6,698,470 in FY 2000-01. General Fund support has increased by $12,059,799 or 17.3 percent. The increased revenues consist of a $1.7 million State grant for the Mentally Ill Crime Offender

Department: **SHF SHERIFF (continued)**

program, which will be used mostly for work ordered services provided by the Mental Health Department, and approximately $1.7 million in one-time money from the Sheriff's Special Maintenance Fund to be combined with $1.6 million in General Fund money to pay for construction of an exercise area at County Jail #8.

DESCRIPTION

The $16,394,427 in increased expenditures is explained largely by the following increases:

Increased Mandatory Fringe Benefits costs	$4,789,005 [1]
Increased overtime	2,766,538
Salaries and benefits for six new positions	327,865
Annualized costs of new positions added for part of last year	122,675
Increased salary costs mostly attributable to negotiated increases in Deputy Sheriff pay	644,749 [2]
Construction of exercise area at County Jail #8	3,276,999
Increased contractual services	1,155,830
Increased costs of services of other departments, mostly DTIS	3,306,923
Miscellaneous other increases	3,843
TOTAL	$16,394,427

[1] This increase is mostly attributable to reinstatement of employer contributions to the Public Employee Retirement System (PERS) in FY 2000-01. This amount is net of increases related to new positions, and annualized positions, which adds $77,536 to Mandatory Fringe Benefits for a total increase of $4,866,541.

[2] Net of increase in attrition savings of $554,716

Personnel Cost Increases

Details of the proposed personnel cost increases are as follows.

Mandatory fringe benefits: Total mandatory fringe benefits costs are budgeted to increase by $4,866,541. Besides proposed new positions and other personnel changes described above, most of this increase is due to a required employer contribution to the State Public Employees Retirement System (PERS) for the first time in several years.

New Positions: The budget includes a request for 4.5 new FTEs for FY 2000-01, which would equate to 6.0 FTEs on a full year annual basis. The Deputy Sheriff positions are requested for a new fixed post at County Jail #2 located at the Hall of Justice that previously was not regularly staffed and is currently

Department: **SHF SHERIFF (continued)**

filled by staff on overtime. This post was added in response to increases in the jail population and the housing of more serious criminals in this jail facility.

A summary of the salary cost and benefits associated with the proposed new positions is as follows.

	Classification	# FTE 2000-01	Salary/ Benefits: 2000-01	FTE Annualized	Salary/ Benefits: Annualized
1823	Sr. Administrative Analyst	.75	$66,562	1.0	$88,749
8304	Deputy Sheriff	3.75	$261,303	5.0	$348,404
	Total	4.50	$327,865	6.0	$437,153

Overtime: The Department is proposing increasing its overtime budget to $4,237,152, an increase of $2,766,538 over the original budget amount of $1,470,614 in FY 1999-00. It should be noted that the Department was granted a supplemental appropriation of approximately $3.3 million in May 2000 to cover a deficit in FY 1999-00 overtime expenditures. The supplemental appropriation, combined with savings in permanent salaries, was needed to meet the Department's expected overtime expenditures of approximately $6 million for the year.

One of the reasons for the high overtime in FY 1999-00 was a new Department policy started in June 1999 to fill all of its staffing minimums specified in the Department's Memorandum of Understanding with the Deputy Sheriff's Association. The Department also underwent an aggressive hiring program in FY 1999-00 to fill approximately 97 Deputy Sheriff positions vacant at the beginning of the fiscal year. Since all new Deputy Sheriff employees were sent to training for approximately six months after being hired, most of their regular positions were filled by overtime. A final factor contributing to overtime costs in FY 1999-00 was that attrition was higher than expected in FY 1999-00. Hiring and initial training of new positions will be reduced in FY 2000-01 compared to FY 1999-00, allowing for a reduction in overtime expenditures.

Full year funding of new positions added in FY 1999-00: $122,675 in additional costs will be incurred in FY 2000-01 reflecting the first full year of salary and benefits costs for new positions added in FY 1999-00.

Attrition savings: The Department is proposing to increase its attrition savings in FY 2000-01 which will reduce its Permanent Salaries budget by $929,067. Attrition savings was reduced in FY 1999-00 on a one-time basis to provide funding for new positions required at the San Bruno jail to comply with the Jones lawsuit settlement.

Department: **SHF SHERIFF (continued)**

Non-personnel cost increases

The largest increase in non-personnel costs is $3,276,999 for an exercise area on the fifth floor of the new Sheriff's facility at 425 Seventh Street. This facility was originally intended to be a Work Furlough facility but was converted to a jail to reduce overcrowding at the other jail facilities. All components of a jail were provided under the original construction contract except an exercise facility, which is required by Federal law. The General Fund contribution for the project would be $1,575,594 with the remaining $1,701,405 paid out of the Sheriff's Special Maintenance Fund.

Other major non-personnel increases are in Professional and Specialized Services and Other Current Expenses (an increase of approximately $1.3 million) and Services of Other Departments (an increase of approximately $3.3 million). The increase in Professional and Specialized Services is largely due to an increase in the use of residential beds for inmates who are assigned to residential substance abuse treatment programs in lieu of jail. Funding for this service was increased in FY 1999-00 through a supplemental appropriation. The approximately $3.3 million increase in Services of Other Departments is primarily for a new grant-funded program for mentally ill offenders, increased workers compensation costs, and increased services from the Department of Telecommunications and Information Services (DTIS).

Comments

1. A review of the Department's staffing and overtime budget for City Hall security showed that the main causes of high overtime costs in FY 1999-00 were vacant positions and added shifts needed for special events. Since the Department has filled many fewer vacancies this year than it did at this time last year, use of overtime for City Hall security, and throughout the Department, can be expected to decrease significantly.
2. The Mayor's budget provides an increase of $16,394,427. Our recommended reductions, which total $733,000, would still allow an increase of $15,661,427 or 19.5% in the Department's budget.

Department: SHF - Sheriff

Page No.	Object	Account Title	Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
Hall of Justice Jails								
371	011	Overtime				975,000	821,000	154,000
		The Department hired approximately 150 new Deputy Sheriffs in FY 1999-00 which contributed to extensive overtime expenditures as each new employee was sent to up to six months training upon being hired. With these new employees hired and many having completed their training, the Department is beginning FY 2000-01 with a fuller complement of staff than it had in FY 1999-00 and should not need the same level of overtime this fiscal year. The proposed budget includes $4.2 million for overtime department-wide. The Department estimates a need for $3.5 million in overtime, or $700,000 less than the budgeted amount requested. The Budget Analyst recommends a $400,000 reduction from the $700,000 in excess of estimated need. This would still provide the Department with $300,000 more than the estimated need in order to provide for contingencies, including attrition which may be higher than expected in FY 2000-01. The subject $154,000 reduction in the Hall of Justice Jails program is the proportionate allocation of the total Department-wide recommended reduction of $400,000.						
County Jails 8 & 9								
373	011	Overtime				851,667	717,667	134,000
		This $134,000 reduction in the County Jails 8 & 9 program is the proportionate allocation of the total Department-wide recommended reduction in overtime of $400,000.						

[Budget Analyst Report]
Susan Hom
Main Library-Govt. Doc. Section

City and County of San Francisco

Meeting Agenda

Finance and Labor Committee

Members: Supervisors Leland Yee, Sue Bierman, Tom Ammiano

Clerk: Mary Red

Tuesday, June 20, 2000 **1:00 PM** **City Hall, Room 263**

Departmental Budget Hearings

Note: Each item on the Consent or Regular agenda may include the following documents:
1) Legislation
2) Budget Analyst report
3) Legislative Analyst report
4) Department or Agency cover letter and/or report
5) Public correspondence
These items will be available for review at City Hall, Room 244, Reception Desk.

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AGENDA CHANGES

REGULAR AGENDA

1. **000982** **[Budget Hearing and Review, FY 2000-2001]**

Hearing to consider the Annual Budget for General Administration and Finance; Public Protection.

(General Administration and Finance: Administrative Services; Assessor/Recorder; Board of Supervisors; City Attorney; Controller; City Planning; Civil Service Commission; Ethics Commission; Human Resources; Mayor; Elections; Retirement System; Treasurer/Tax Collector; General City Responsibility.)

(Public Protection: Adult Probation; Consumer Assurance, Regulatory Compliance and Agricultural Standards; Animal Care and Control; Medical Examiner; Trial Courts; District Attorney; Fire Department; Juvenile Probation; Public Defender; Police; Sheriff; Companion to File 000979.)

6/5/00, RECEIVED AND ASSIGNED to Finance and Labor Committee. Scheduled for consideration on June 20, 2000

ADJOURNMENT

IMPORTANT INFORMATION

NOTE: Persons unable to attend the meeting may submit to the City, by the time the proceedings begin, written comments regarding the agenda items above. These comments will be made a part of the official public record and shall be brought to the attention of the Board of Supervisors. Any written comments should be sent to: Committee Clerk of the Finance and Labor Committee, San Francisco Board of Supervisors, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco, CA 94102 by 5:00 p.m. on the day prior to the hearing. Comments which cannot be delivered to the committee clerk by that time may be taken directly to the hearing at the location above.

LEGISLATION UNDER THE 30-DAY RULE

(Not to be considered at this meeting)

Rule 5.42 provides that when an ordinance or resolution is introduced which would CREATE OR REVISE MAJOR CITY POLICY, the committee to which the legislation is assigned shall not consider the legislation until at least thirty days after the date of introduction. The provisions of this rule shall not apply to the routine operations of the departments of the City or when a legal time limit controls the hearing timing In general, the rule shall not apply to hearings to consider subject matter when no legislation has been presented, nor shall the rule apply to resolutions which simply URGE action to be taken.

There are no items now pending under the 30-day Rule.

Meeting Procedures

The Board of Supervisors is the Legislative Body of the City and County of San Francisco. The Board has several standing Committees where ordinances and resolutions are the subject of hearings at which members of the public are urged to testify. The full Board does not hold a second public hearing on measures which have been heard in committee.

Board procedures do not permit persons in the audience at a Committee meeting to vocally express support or opposition to statements by Supervisors or by other persons testifying. Thus applause and booing are both contrary to Board requirements. The Board does not permit signs to be brought into the meeting or displayed in the room.

Citizens are encouraged to testify at Committee meetings and to write letters to the Clerk of a Committee or to its members, City Hall, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco, CA 94102.

Agenda are available on the internet at www.ci.sf.ca.us/bdsupvrs.bos.htm.

THE AGENDA PACKET IS AVAILABLE FOR REVIEW AT CITY HALL, ROOM 244, RECEPTION DESK.

Board meetings are televised on channel 26. For video tape copies and scheduling call (415) 557-4293.

Requests for foreign language translation at a meeting must be received by the Clerk of the Board of Supervisors at least 48 hours before the meeting. For meetings on a Monday or a Tuesday, the request must be made by noon of the last business day of the preceding week.

Disability Access

Both the Committee Room (Room 263) and the Legislative Chamber are wheelchair accessible. The closest accessible BART Station is Civic Center, three blocks from City Hall. Accessible MUNI lines serving this location are: #42 Downtown Loop, and the #71 Haight/Noriega and the F Line to Market and Van Ness and the Metro stations at Van Ness and Market and at Civic Center. For more information about MUNI accessible services, call 923-6142.

There is accessible parking in the vicinity of City Hall at Civic Center Plaza and adjacent to Davies Hall and the War Memorial Complex.

The following services are available when requests are made by 4:00 p.m. of the Friday before the Board meeting:

For American Sign Language interpreters, use of a reader during a meeting, or sound enhancement system, contact Violeta Mosuela at (415) 554-7704.

For a large print copy of agenda or minutes in alternative formats, contact Annette Lonich at (415) 554-7706.

In order to accommodate persons with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City to accommodate these individuals.

Know Your Rights Under the Sunshine Ordinance

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. The Sunshine Ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code) or to report a violation of the ordinance, contact Donna Hall; by mail to Clerk of the Board of Supervisors, 1 Dr. Carlton B. Goodlett Place, Room 244, by phone at (415) 554-7724, by fax at (415) 554-5163 or by email at Donna_Hall@ci.sf.ca.us

Citizens interested in obtaining a free copy of the Sunshine Ordinance can request a copy from Ms. Hall or by printing Chapter 67 of the San Francisco Administrative Code on the Internet, at http://www.ci.sf.ca.us/bdsupvrs/sunshine.htm

FINANCE AND LABOR COMMITTEE
S.F. BOARD OF SUPERVISORS
CITY HALL, ROOM 244
1 DR. CARLTON GOODLETT PLACE
SAN FRANCISCO, CA 94102-4689

IMPORTANT HEARING NOTICE!!!

City and County of San Francisco

Meeting Agenda

Finance and Labor Committee

Members: Supervisors Leland Yee, Sue Bierman, Tom Ammiano

Clerk: Mary Red

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

Wednesday, June 21, 2000 **11:00 AM** **City Hall, Room 263**

Special Meeting

Note: Each item on the Consent or Regular agenda may include the following documents:
1) Legislation
2) Budget Analyst report
3) Legislative Analyst report
4) Department or Agency cover letter and/or report
5) Public correspondence
These items will be available for review at City Hall, Room 244, Reception Desk

AGENDA CHANGES

REGULAR AGENDA

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1. 001104 **[Rent Ordinance Capital Improvement and 50% Bond Cost Passthroughs]**
Supervisor Ammiano

Ordinance amending Chapter 37 Administrative Code "Residential Rent Stabilization and Arbitration Ordinance" regarding landlord capital improvement and Bond cost passthroughs to tenants, by amending Sections 37.2, 37.3, and 37.7, and by adding new Section 37.8C: by providing for certification of current code required seismic strengthening work and for certification of other live/safety capital improvements required by code provisions enacted in the future, to be amortized and passed through to tenants over a 20-year period (currently a 10-year period) without being added to base rent; to provide that certain other certified capital improvement cost passthroughs may be added to tenant base rent (which is not permitted under current provisions), up to a total increase of 10% of base rent over each designated 3 year period in buildings with 1-4 residential units, or a total increase of 10% of base rent over each designated 5 year period in buildings with 5 or more residential units (currently amortized over a 7 or 10-year period); by providing that capital improvement costs for abatement of code violations may not be certified for passthrough to affected tenants where code violations were unabated for 90 days or more (absent temporary suspension of the 90 day period due to good faith abatement activity by the landlord), and providing that such tenants may not also receive a reduction of rent due to reduction of housing services caused by these code violations (this provision is new); by providing that capital improvement costs for abatement of code violations may not be certified for passthrough to tenants where the work was necessitated by deferred maintenance that resulted in those code violations, even where a prior landlord deferred the maintenance (currently available only as to the current landlord's deferred maintenance); by providing that tenants may file applications for hardship deferment from capital improvement passthroughs at any time during their tenancy, pursuant to specified criteria (currently a tenant must appeal within 15 days of the decision granting certification); providing a pilot program for deciding non-complex landlord capital improvement petitions and tenant hardship applications without a hearing, where the facts are substantially undisputed (currently all such petitions and applications require hearing); and by providing that landlords may automatically pass through to tenants 50% of annual costs resulting from repayment of city general obligation bonds approved by the voters in the November 2000 election or thereafter (currently no automatic passthrough provisions for such bond costs).

(Amends Sections 37.2, 37.3, and 37.7; adds new Section 37.8C.)

6/12/00, RECEIVED AND ASSIGNED to Finance and Labor Committee
6/19/00, SUBSTITUTED Submitted by Supervisor Ammiano in Board
6/19/00, ASSIGNED to Finance and Labor Committee

ADJOURNMENT

IMPORTANT INFORMATION

NOTE: Persons unable to attend the meeting may submit to the City, by the time the proceedings begin, written comments regarding the agenda items above. These comments will be made a part of the official public record and shall be brought to the attention of the Board of Supervisors. Any written comments should be sent to: Committee Clerk of the Finance and Labor Committee, San Francisco Board of Supervisors, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco, CA 94102 by 5:00 p.m. on the day prior to the hearing. Comments which cannot be delivered to the committee clerk by that time may be taken directly to the hearing at the location above.

LEGISLATION UNDER THE 30-DAY RULE

(Not to be considered at this meeting)

Rule 5.42 provides that when an ordinance or resolution is introduced which would CREATE OR REVISE MAJOR CITY POLICY, the committee to which the legislation is assigned shall not consider the legislation until at least thirty days after the date of introduction. The provisions of this rule shall not apply to the routine operations of the departments of the City or when a legal time limit controls the hearing timing. In general, the rule shall not apply to hearings to consider subject matter when no legislation has been presented, nor shall the rule apply to resolutions which simply URGE action to be taken.

There are no items now pending under the 30-day Rule.

Meeting Procedures

The Board of Supervisors is the Legislative Body of the City and County of San Francisco. The Board has several standing Committees where ordinances and resolutions are the subject of hearings at which members of the public are urged to testify. The full Board does not hold a second public hearing on measures which have been heard in committee.

Board procedures do not permit persons in the audience at a Committee meeting to vocally express support or opposition to statements by Supervisors or by other persons testifying. Thus applause and booing are both contrary to Board requirements. The Board does not permit signs to be brought into the meeting or displayed in the room.

Citizens are encouraged to testify at Committee meetings and to write letters to the Clerk of a Committee or to its members, City Hall, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco, CA 94102.

Agenda are available on the internet at www.ci.sf.ca.us/bdsupvrs.bos.htm.

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Requests for foreign language translation at a meeting must be received by the Clerk of the Board of Supervisors at least 48 hours before the meeting. For meetings on a Monday or a Tuesday, the request must be made by noon of the last business day of the preceding week.

Disability Access

Both the Committee Room (Room 263) and the Legislative Chamber are wheelchair accessible. The closest accessible BART Station is Civic Center, three blocks from City Hall. Accessible MUNI lines serving this location are: #42 Downtown Loop, and the #71 Haight/Noriega and the F Line to Market and Van Ness and the Metro stations at Van Ness and Market and at Civic Center. For more information about MUNI accessible services, call 923-6142.

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For American Sign Language interpreters, use of a reader during a meeting, or sound enhancement system, contact Violeta Mosuela at (415) 554-7704.

For a large print copy of agenda or minutes in alternative formats, contact Annette Lonich at (415) 554-7706.

In order to accommodate persons with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City to accommodate these individuals.

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Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. The Sunshine Ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code) or to report a violation of the ordinance, contact Donna Hall; by mail to Clerk of the Board of Supervisors, 1 Dr. Carlton B. Goodlett Place, Room 244, by phone at (415) 554-7724, by fax at (415) 554-5163 or by email at Donna_Hall@ci.sf.ca.us

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SAN FRANCISCO BOARD OF SUPERVISORS

FINANCE AND LABOR COMMITTEE

June 21, 2000

The Minutes of this meeting are missing.

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City and County of San Francisco
Meeting Minutes
Finance and Labor Committee

Members: Supervisors Leland Yee, Sue Bierman, Tom Ammiano

Clerk: Mary Red

City Hall
1 Dr. Carlton B.
Goodlett Place
San Francisco, CA
94102-4689

Wednesday, June 21, 2000 **1:00 PM** **City Hall, Room 263**

Departmental Budget Hearings

Members Present: Leland Y. Yee, Sue Bierman, Tom Ammiano.

Meeting Convened

The meeting convened at 1:14 p.m.

000983 **[Budget Hearing and Review, FY 2000-2001]**
Hearing to consider the Annual Budget for Human Welfare and Neighborhood Development; Community Health.

(Human Welfare and Neighborhood Development: Adult and Aging Services; Children and Families Commission; Children, Youth & Families; Department of Child Support Services; Human Services; Environment; Human Rights Commission; Rent Arbitration Board; Commission on the Status of Women.)

(Community Health: Community Health Network; Public Health; companion to File 000979.)
6/1/00, RECEIVED AND ASSIGNED. Scheduled for consideration on June 21, 2000.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Darrick Lam, Commission on Aging; Ricardo Hernandez, Public Administrator/Guardian; John Clark, Deputy Director, Public Administrator/Guardian, Mental Health Conservator; Steve Kawa, Mayor's Budget Office; Supervisor Yee; Debra Alvarez, Director, Department of Children, Youth and Families; Supervisor Ammiano; Supervisor Bierman; Will Lightbourne, Executive Director, Department of Human Services; Milton Hyams, Department of Child Support Services; Francessca Victor, Director, Department of Environment; Virginia Harmon, Interim Director, Human Rights Commission (HRC); Larry Brinkin, Manager, Equal Benefits Ordinance, HRC; Joe Grubb, Director, Rent Stabilization Board; Sonia Melara, Executive Director, Commission on the Status of Women; Dr. Mitchell Katz, Director, Department of Public Health; Ken Bruce, Budget Analyst's Office; Monique Zmuda, Department of Public Health. Continued to June 28, 2000.

CONTINUED by the following vote:
Ayes: 3 - Yee, Bierman, Ammiano

ADJOURNMENT

The meeting adjourned at 3:54 p.m.

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CITY AND COUNTY OF SAN FRANCISCO

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BOARD OF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642
FAX (415) 252-0461

June 19, 2000

TO: Finance and Labor Committee

FROM: Budget Analyst

SUBJECT: Recommendations of the Budget Analyst for Amendment of the Mayor's Fiscal Year 2000-2001 Budget.

The Budget Analyst is providing the attached budget recommendations for departments listed below which are the subject of the Finance and Labor Committee budget hearing.

Finance and Labor Committee Budget Hearing - June 21, 2000, 1:00 p.m.

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Human Welfare

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CHF Children, Youth & Families 10
DSS Human Services 14
ENV Environment 32
HRC Human Rights Commission 38
RNT Rent Arbitration Board 42
WOM Commission on the Status of Women 46

Community Health - Department of Public Health

HCN Community Health Network 50
HPH Public Health 68

Harvey M. Rose

cc: Supervisor Yee
Supervisor Bierman
President Ammiano
Clerk of the Board
Controller
Steve Kawa

RECOMMENDATIONS OF THE BUDGET ANALYST FOR
AMENDMENT OF BUDGET ITEMS
2000-01

Department: AGE Adult and Aging Services

FINANCIAL DATA:

The Adult and Aging Services Department's proposed $22,998,890 budget for FY 2000-01 is $3,195,725, or 16.14 percent, more than the original FY 1999-2000 budget of $19,803,165. The net increase from the revised FY 1999-2000 budget is $3,145,725 or 15.84 percent.

The Adult and Aging Services Department is a newly created department for FY 2000-01, merging the former Commission on Aging (COA), Public Administrator-Guardian, and the Mental Health Conservator function from the Department of Public Health. The FY 1999-00 original and revised budget amounts included in the Mayor's budget are comprised of the budgets of the previously separate Commission on Aging and Public Administrator-Guardian. Since the Mental Health Conservator function was not a discrete unit within the Department of Public Health, there is no FY 1999-00 comparison for that component of the new department's budget.

SUMMARY OF PROGRAM EXPENDITURES:

Program Expenditures	Fiscal Year 1999-2000 Original	Fiscal Year 1999-2000 Revised	Mayor's Budget Fiscal Year 2000-2001	Proposed Increase (Decrease) From 1999-2000 Original Budget
Access to Services	$ 1,810,421	$ 1,810,421	$ 1,665,156	$ (145,265)
Administration	1,589,737	1,639,737	1,954,353	364,616
County Veterans Services	238,441	238,441	256,068	17,627
Mental Health Conservator Svcs.	-	-	1,267,284	1,267,284
Public Administration/Guardian	3,377,872	3,377,872	4,114,924	737,052
Senior Central Development	1,154,931	1,154,931	1,475,372	320,441
Senior Independent	6,198,930	6,198,930	7,388,258	1,189,328
Services to Frail Elders	5,432,833	5,432,833	4,877,475	(555,358)
Total Expenditures	$ 19,803,165	$ 19,853,165	$ 22,998,890	$ 3,195,725
Less Work Order Recoveries	(136,900)	(136,900)	(171,627)	(34,727)
Net Expenditures	$ 19,666,265	$ 19,716,265	$ 22,827,263	$ 3,160,998

Department: AGE Adult and Aging Services

DEPARTMENT PERSONNEL SUMMARY:

The number of full-time equivalent positions (FTEs) budgeted for FY 2000-01 is 88.25 FTEs, which is 20.03 more than the 68.22 FTEs in the original FY 1999-2000 budget. This level of increase actually overstates the City wide difference in FTEs as it counts 17.5 FTEs assigned to the Mental Health Conservator function as new when in fact they were previously part of the staff of the Mental Health division of the Department of Public Health. However, there is no comparable FTE count in the Mental Health division's FY 1999-00 budget. In the Mental Health division, conservator functions were not performed by a discrete group of employees as they will be in the new Adult and Aging Services Department. Instead, the conservatorship function was one of many functions performed by Mental Health Division employees. Excluding the FTEs in the Mental Health conservatorship division, the proposed increase in FTEs in the Department is 2.53.

The FTE allocations by program are as follows:

	Fiscal Year 1999-2000		Mayor's Budget Fiscal Year	Proposed Increase (Decrease) From 1999-2000
Full Time Equivalents	Original	Revised	2000-2001	Original Budget
Access to Services	2.80	2.80	2.80	-
Administration	17.85	17.85	18.12	0.27
County Veterans Services	3.00	3.00	3.00	-
Mental Health Conservator Svcs.	-	-	17.50	17.50
Public Administration/Guardian	44.57	44.57	46.83	2.26
Total	68.22	68.22	88.25	20.03

DEPARTMENT REVENUES

Department revenue for the Adult and Aging Services Department budgeted for FY 2000-01 is $18,018,028, which is $251,176 more than the department revenue of $17,766,852 in the FY 1999-00 budget. The level of General Fund support is reported in the Mayor's budget to be increasing from an original amount of $3,757,045 in FY 1999-00 to $4,809,235 in FY 2000-01, or by $1,052,190 but this increase is mostly due to the inclusion of the Mental Health conservatorship function in the new Adult and Aging Services Department, which is partially funded by a State subvention through the General Fund.

Department: AGE Adult and Aging Services

DESCRIPTION

The $3,195,725 in increased expenditures presented in the Mayor's FY 2000-01 budget compared to the original FY 1999-00 budget is comprised of the following components:

Costs of mental health workers transferred from the Mental Health division	$1,267,284 *
Increases salary and benefits costs for new positions, existing position upgrades, and full year costs for positions added partially last fiscal year	278,401
Increased contractor costs for COA programs	809,143
Increase costs for data processing consultant services	337,000
Increased costs for COA professional and specialized services	258,819
Computer equipment purchases	90,000
Net other increases and transfers	155,078
	$3,195,725

*These costs are shown as new in the Adult and Aging Services budget even though they were part of the Department of Public Health Mental Health Divisions's costs in FY 1999-00. However, because the costs for this function were not separately identified in the FY 1999-00 Department of Public Health budget, there is no amount to use for comparison between the two fiscal years.

The explanations for each major area of cost increase are as follows.

Personnel cost increases

New Positions: As mentioned above, the costs for the Mental Health conservatorship program is not actually an increased cost but was previously part of the Department of Public Health. However, because the function was not separately identified in the Department of Public Health's budget, it is not possible to compare the proposed positions and expenditures in the new Adult and Aging Services Department with a budget or specific staffing level from last year for this function. 17.5 FTEs are included in the budget for the Mental Health conservatorship function and are shown as new positions for FY 2000-01. The Department of Public Health estimates that the equivalent level of staffing performed this function in FY 1999-00 and reports they have deleted the 17.5 FTEs from their budget.

The Department's budget does include a request for 1.5 new FTEs for FY 2000-01, which would equate to 2.0 FTEs on a full year annual basis. The two positions, one 1460 Legal Secretary II and one 4230 Estate Investigator, are requested by the Public Administrator Guardian program to help expedite case closures and to provide a greater level of supervision for the program's existing six Legal Secretary Is. The details on the costs of the proposed new positions are as follows:

Department: AGE Adult and Aging Services

Classification	# FTE 2000-01	Salaries & Benefits: 2000-01	FTE Annualized	Salaries & Benefits: Annual
1460 Legal Secretary II	.75	$54,114	1.0	$72,152
4230 Estate Investigator	.75	$52,150	1.0	$69,533
Total	1.5	$106,264	2.0	$141,685

Position substitutions: The Department is proposing position substitutions that would result in increased salary and benefits costs of $63,344 in FY 2000-01. The proposed substitutions are: one existing 8174 Attorney position to be replaced by one 8178 Senior Attorney for the Public Administrator Guardian program; and, one 1656 Head Accountant to be replaced by one 1657 Senior Systems Accountant in the Commission on Aging program. A final substitution, one 2988 Director of Aging Programs to be replaced by a 1377 Special Assistant XVIIII, is proposed to create a new higher level position to serve as director of the entire newly merged department. A summary of the fiscal impact of the proposed substitutions is as follows:

	Classification	# FTE 2000-01	Costs: 2000-01
8174	Attorney	(1.0)	($69,819)
8178	Senior Attorney	1.0	$98,769
1656	Head Accountant	(1.0)	($69,103)
1657	Senior Systems Accountant	1.0	$74,331
2988	Director, Aging Program	(1.0)	($91,423)
1377	Special Assistant XVIIII	1.0	$115,359
	Subtotal Salaries	0.0	$58,114
	Plus benefits	0.0	5,230
	Total w/ benefits	0.0	$63,344

Full year costs of new positions added for part of FY 1999-00: The full annual costs of new positions added for part of FY 1999-00 will increase Department salary and benefits costs by $99,810 in FY 2000-01. With mandatory fringe benefits, the total impact will be $108,793 in FY 2000-01.

Non personnel cost increases

Contractor services funded through the Commission on Aging and funded by State and Federal sources are proposed to increase by $809,143 in FY 2000-01. Other major non-personnel increases include professional computer consulting services for the Public Administrator Guardian program (according to the Department, this is not a new cost but was previously off-budget, funded by State-allowed excess interest earned on Public Administrator Guardian accounts), a cost of living adjustment for Commission on Aging program contractors of approximately 2.4 percent, and purchase of computers

Department: **AGE Adult and Aging Services**

in lieu of continuing more costly leasing of the same equipment for the Public Administrator Guardian program.

COMMENT

The Mayor's budget provides an increase of $3,195,725. Our recommended reductions, which total $126,630, would still allow an increase of $3,069,095 or 15.5 % in the Department's budget.

RECOMMENDATIONS OF THE BUDGET ANALYST FOR
AMENDMENT OF BUDGET ITEMS
2000-01

Department: Adult & Aging

Page No.	Obj		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
Commission on Aging Administration								
1704	001	Permanent Salaries * The recommended reduction in Permanent Salaries - Misc is the total of the following specific recommendations regarding individual classifications				$1,108,095	$1,049,823	*
1712		Special Assistant XVIIII This new 1712 Special Assistant XVIIII, proposed as a substitution for the existing 1712 Director, Aging Program position, would serve as the director of the new department at a total annual salary of $115,359 resulting in an additional annual cost of $30,159 in salaries and benefits. The new classification proposed is based on the salary level of directors of comparably sized City departments and to maintain appropriate internal salary differentials. We recommend approval of the substitution but a reduction in salaries and benefits costs for approximately two months before the position is filled. The position for which this proposed new position is being substituted is currently vacant.	1377 S	1	0.83	115,359	92,287	$23,072

RECOMMENDATIONS OF THE BUDGET ANALYST FOR
AMENDMENT OF BUDGET ITEMS
2000-01

Department: Adult & Aging

Page No.	Obj		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
1712		Attrition Savings To reflect actual experience from FY 1999-00 which will still be in effect in FY 2000-01. The recommended reduction also includes the salary differential between a 1656 Head Accountant which was upgraded in FY 1999-00 to a 1657 Senior Systems Accountant and funded with the existing FY 1999-00 budget without prior Board of Supervisors approval. The additional annual cost for the upwards subsitution is approximately $5,698 in salaries and benefits.	9993M			(65,375)	(100,575)	35,200
1704	013	Mandatory Fringe Benefits Corresponds to reduction in salaries.				267,188	252,944	14,244
Public Adminstrator Guardian								
1707	001	Permanent Salaries * The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.				$2,656,402	$2,613,454	*

RECOMMENDATIONS OF THE BUDGET ANALYST FOR
AMENDMENT OF BUDGET ITEMS
2000-01

Department: Adult & Aging

Page No.	Obj		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
1714		Legal Secretary II	1460 N	0.75	0	42,948	0	$42,948
		This new position is requested to expedite case closures and to provide additional supervision of existing Legal Secretary staff Because the Department is just merging with programs previously located in two other departments, additional clerical positions should not be added until it is first determined how the staffs from the merged departments will integrate their services and what staffing efficiencies can be realized from the merger. Presently the Department has six Legal Secretary I positions. We are recommending approval of one new Estate Investigator position for the Department to help expedite case closures and increase fee recovery						
1714		Estate Investigator	4230 N	0.75	0	41,389	0	$41,389
1715		Estate Investigator	4230 L	0	0.75	0	41,389	($41,389)
		This position is requested to help reduce the case backlog and increase the number of cases closed each year, which will also increase Public Administrator Guardian fee revenue. We recommend that the position be approved as a limited term position and reassessed for permanent status after the current case backlog is reduced.						

RECOMMENDATIONS OF THE BUDGET ANALYST FOR
AMENDMENT OF BUDGET ITEMS
2000-01

Department: Adult & Aging

Page No.	Obj		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
1707	013	Mandatory Fringe Benefits				659,849	648,683	$11,166
		Corresponds to reduction in salaries.						
		Total Recommended Reductions						126,630

DEPARTMENT: CHF CHILDREN, YOUTH & FAMILIES

FINANCIAL DATA:

The Department of Children, Youth & Families' proposed $28,850,662 budget for FY 2000-01 is $4,524,145 or 18.60 percent more than the original FY 1999-2000 budget of $24,326,517. The net increase from the revised FY 1999-2000 budget is $4,506,645 or 18.51 percent.

SUMMARY OF PROGRAM EXPENDITURES:

Program Expenditures	Fiscal Year 1999-2000 Original	Fiscal Year 1999-2000 Revised	Mayor's Budget Fiscal Year 2000-2001	Proposed Increase (Decrease) From 1999-2000 Original Budget
CHF-Administration	$ 851,000	$ 936,804	$ 821,000	$ (30,000)
CHF-Children Programs	18,622,253	18,778,949	22,191,702	3,569,449
CHF-Health	253,000	253,000	-	(253,000)
CHF-Library	-	-	-	-
Children's Baseline	4,600,264	4,375,264	5,837,960	1,237,696
Total Expenditures	$ 24,326,517	$ 24,344,017	$ 28,850,662	$ 4,524,145
Less Work Order Recoveries	(2,275,372)	(2,275,372)	(2,211,372)	64,000
Net Expenditures	$ 22,051,145	$ 22,068,645	$ 26,639,290	$ 4,588,145

Department: CHF CHILDREN YOUTH & FAMILIES (continued)

DEPARTMENT PERSONNEL SUMMARY:

The number of full-time equivalent positions budgeted for FY 2000-01 is 27.68 FTEs, which is 0.23 FTEs less than the 27.91 FTEs in the original FY 1999-2000 budget. The FTE allocations by program are as follows:

Full Time Equivalents	Fiscal Year 1999-2000 Original	Fiscal Year 1999-2000 Revised	Mayor's Budget Fiscal Year 2000-2001	Proposed Increase (Decrease) From 1999-2000 Original Budget
Administration	3.00	3.00	3.00	-
Children Programs	17.91	19.51	17.68	(0.23)
Children's Baseline	7.00	7.00	7.00	-
Total	27.91	29.51	27.68	(0.23)

DEPARTMENT REVENUES

Department revenues have increased by $3,316,449 or 19.5 percent and General Fund support has increased by $1,271,696 or 25.1 percent compared to the FY 1999-2000 budget. The majority of the increase in revenue is due to an increase of $3,169,976 from the Children's Fund, a Charter-mandated Property Tax set aside (Unallocated General Property Taxes). The monies in the Children's Fund have been set aside for specific program purposes in accordance with the City Charter.

The total required appropriation for the Children's Fund for FY 2000-01 is $63,742,496. However, the Controller's Office reports that the actual amount included in the FY 2000-01 budget is $64,330,085, or $587,589 more of primarily General Fund revenues than required by the City's Charter. Therefore, reductions to the proposed budget can be counted as General Fund savings.

A new Charter Amendment regarding the Children's Fund is currently pending before the Rules Committee of the Board of Supervisors to be on the November 7, 2000 ballot. The new Charter Amendment would extend the current Children's Fund for an additional 15 years, beyond the current expiration date of June 30, 2001, increase the allocation from the current $.025 to $.03 per one hundred dollars of assessed valuation each fiscal year and revise the specific program purpose allocations.

Department: CHF CHILDREN YOUTH & FAMILIES (continued)

DESCRIPTION

The significant changes in the proposed budget for Children, Youth and Their Families include a $1,300,677 increase for the City Grant Programs and a $1,239,999 increase for the Children's Baseline, the majority of which will be applied to the High Quality Child Care Program.

While the Department is not adding any new permanent positions, various substitutions, annualizations of existing positions and reclassifications along with cost-of-living adjustments and step increases result in an additional overall increase of $66,288 in Permanent Salaries, Misc.

COMMENT

The Mayor's budget provides an increase of $4,524,145. Our recommended reductions, which total $17,737, would still allow an increase of $4,506,408 or 18.52% in the Department's budget.

epartment: CHF - Children, Youth and Their Families

'age No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
CBA		**CHF - Administration**						
730	001	Permanent Salaries - Misc				$1,066,039	$1,051,962	*
		* The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.						
37	9993M	Attrition Savings - Misc				(19,032)	(33,109)	$14,077
		Increase Attrition Savings - Misc to offset the effect of the Department's upward substitution of one 1367 Special Assistant VIII to a 1370 Special Assistant XI that would result in increased salary and fringe benefit costs made during the past year, without budgetary approval by the Board of Supervisors. This recommendation will enable the Department to maintain the existing filled position at the higher salary and fringe benefit cost, but will not result in additional expenditures for the Department because an offsetting amount will be eliminated from the budget by this increase in attrition savings.						
130	013	Mandatory Fringe Benefits				261,965	258,305	3,660
		Corresponds to the reduction in Permanent Salaries - Misc.						
		Total Recommended Reductions						$17,737

DEPARTMENT: DSS HUMAN SERVICES

FINANCIAL DATA:

The Department of Human Services' proposed $434,727,690 budget for FY 2000-01 is $27,666,719 or 6.80 percent more than the original FY 1999-00 budget of $407,060,971. The net increase from the revised FY 1999-00 budget is $16,901,818 or 4.05 percent.

SUMMARY OF PROGRAM EXPENDITURES:

Program Expenditures	Fiscal Year 1999-2000 Original	Fiscal Year 1999-2000 Revised	Mayor's Budget Fiscal Year 2000-2001	Proposed Increase (Decrease) From 1999-2000 Original Budget
Administration Support	$ 38,113,036	$ 38,377,846	$ 44,797,987	$ 6,684,951
Adult Services	51,131,503	51,131,503	57,392,078	6,260,575
CAAP	53,529,155	53,471,869	43,644,519	(9,884,636)
Calworks	92,472,958	92,738,195	94,356,360	1,883,402
Children's Baseline	7,900,569	8,100,569	7,959,832	59,263
Departmental Fund Transfer	1,431,999	1,431,999	-	(1,431,999)
Employment & Training Services	12,254,184	12,099,670	15,157,399	2,903,215
Family and Children Services	93,303,875	93,472,360	100,935,355	7,631,480
Food Stamps	8,478,379	8,978,289	10,206,755	1,728,376
Homeless Services	19,260,005	21,168,797	22,183,959	2,923,954
MEDI- CAL	11,936,962	19,606,429	22,768,783	10,831,821
Program Support	6,835,375	6,835,375	6,663,606	(171,769)
Refugee Resettlement Program	2,150,170	2,150,170	-	(2,150,170)
State Special Projects	8,237,801	8,237,801	7,930,261	(307,540)
Total Operating Expenditures	$ 407,035,971	$ 417,800,872	$ 433,996,894	$ 26,960,923
Capital Improvements & Fac. Maint.	25,000	25,000	730,796	705,796
Total Expenditures	$ 407,060,971	$ 417,825,872	$ 434,727,690	$ 27,666,719
Less Work Order Recoveries	(5,093,397)	(5,093,397)	(3,575,806)	1,517,591
Net Expenditures	$ 401,967,574	$ 412,732,475	$ 431,151,884	$ 29,184,310

Department: DSS HUMAN SERVICES (continued)

DEPARTMENT PERSONNEL SUMMARY:

The number of full-time equivalent positions budgeted for FY 2000-01 is 1,722.47 FTEs, which is 84.24 FTEs more than the 1,638.23 FTEs in the original FY 1999-00 budget. The FTE allocations by program are as follows:

Full Time Equivalents	Fiscal Year 1999-2000 Original	Fiscal Year 1999-2000 Revised	Mayor's Budget Fiscal Year 2000-2001	Proposed Increase (Decrease) From 1999-2000 Original Budget
Administrative Support	198.60	198.94	221.96	23.36
Adult Services	140.31	140.31	147.44	7.13
CAAP	212.14	212.14	190.75	(21.39)
CalWorks	212.49	213.61	246.37	33.88
Children's Baseline	19.04	19.04	19.03	(0.01)
Employment & Training Services	55.00	55.00	58.73	3.73
Family and Children Services	354.71	355.38	371.43	16.72
Food Stamps	129.83	138.66	154.31	24.48
Homeless Services	16.41	16.41	18.35	1.94
Medi-Cal	192.14	192.14	192.88	0.74
Program Support	98.81	98.81	94.51	(4.30)
State Special Projects	8.75	8.75	6.71	(2.04)
Total	1,638.23	1,649.19	1,722.47	84.24

DEPARTMENT REVENUES

Department revenue for the Department of Human Services (DHS) in the FY 2000-01 budget is $434,727,690, which is $27,666,719 more than the department revenue of $407,035,971 in the original FY 1999-00 budget. General Fund support for DHS in the FY 2000-01 budget is $115,279,733, which is $5,662,063 less than General Fund support of $120,941,796 in the FY 1999-00 budget.

Department: DSS HUMAN SERVICES (continued)

DESCRIPTION

The Department's proposed FY 2000-01 budget is increasing by $27,666,719, or 6.8 percent, from the original FY 1999-00 budget and by 84.24 FTES. Of the 84.24 additional FTEs, 47.25 FTEs are new FTEs in FY 2000-01, which represents 59.5 new positions on an annualized basis, and 36.99 FTES are annualization of positions added in the FY 1999-2000 budget and other adjustments. In total, we are recommending approval of the 35 new FTEs and disapproval of 12.25 of the 47.25 new FTEs.

The major changes in the Department of Human Services (DHS) budget are described below, by program.

CalWORKS

DHS is requesting 30 new positions in the CalWORKS program to support the Department's efforts in providing job training and job placement to welfare recipients. The new positions would include 10 Employment and Training Specialists, plus one Employment and Training Specialist supervisor, to provide employment assessment, referrals and monitoring of participants in the welfare-to-work program. The new positions also include 17 Senior Social Workers, plus two Senior Social Worker supervisors, to provide a range of services to welfare recipients with housing, domestic violence, substance abuse, and other issues that serve as barriers to their entry to the workforce. According to DHS, CalWORKS caseload is declining, from an average caseload of approximately 8,900 cases per month in FY 1997-1998 to approximately 6,500 cases per month in FY 1999-00, a 27 percent decrease over the three-year period. The Department reports that the caseload for job retention for former CalWORKS recipients who are no longer eligible for cash aid is increasing, from an average of approximately 1,019 cases per month in FY 1999-00 to an estimated average of approximately 1,987 cases per month in FY 2000-01. Additionally, the Department states that the current CalWORKS caseload comprises a larger portion of the harder-to-serve clients with multiple barriers to entry to the workforce. In total, we are recommending approval of 20 of the 30 new positions and disapproval of 10 of the 30 new positions.

Food Stamps

DHS has requested one new Senior Eligibility Worker position in the Food Stamp program. During FY 1999-00, the Board of Supervisors approved a supplemental appropriation to fund 18 new positions in the Food Stamp program for one new Food Stamp intake unit to accommodate workload increases and a new outreach unit in response to expanded State eligibility for food stamps, particularly among immigrants (Files No. 99-1861 and 99-1862). Food Stamp caseload in FY 1999-00 averaged 2,042 cases per month and projected Food Stamp caseload in FY 2000-01 will average approximately 1,849 cases per month, a 9.8 percent decrease. We are recommending disapproval of this new position.

Department: DSS HUMAN SERVICES (continued)

County Adult Assisted Program (CAAP)

DHS has reduced the proposed budget for CAAP by $9,827,350, from $53,471,869 in FY 1999-00 to $43,644,519 in FY 2000-01, an 18.4 percent decrease. According to DHS, average monthly caseload as of May of 2000 was 1,210 below FY 1999-00 budgeted estimate of approximately 10,183. Projected aid payment expenditures in FY 1999-00 are $31,877,659, which is $7,301,129 less, than the FY 1999-00 budgeted amount of $39,178,788. In FY 2000-01 DHS has budgeted $28,717,932 for aid payments, which is $10,460,856 less than the amount budgeted of $39,178,788 in FY 1999-00.

Medi-Cal

DHS has requested $22,768,783 in FY 2000-01 for the Medi-Cal program, which is $3,162,354 more than was included in the FY 1999-00 revised budget amount of $19,606,429. Of this amount of $3,162,354, $2,900,263 is for increased aid payments. According to DHS, Medi-Cal caseload is expected to increase from an average of 4,120 per month in FY 1999-00 to an estimated average of 4,239 per month in FY 2000-01. Much of this increase results from a State-funded program that provides cash assistance and Medi-Cal benefits to immigrants who are not eligible for Federal benefits.

Employment and Training Service

DHS has requested three new Employment and Training Specialist positions for the Employment and Training Service program in FY 2000-01. This program provides intensive employment services to participants in both CalWORKS and the Personal Assisted Employment Services (PAES) program, which was created in 1998 to help very low-income adults become economically self-sufficient. We are recommending approval of one of the three new positions and disapproval of two of the three new positions.

Family and Children Service

DHS has requested 11.5 new positions in the Family and Children Service program in FY 2000-01, which includes 10.5 Protective Service positions and 1 Protective Service Supervisor position. DHS projects an increase in adoption caseload from 1,024 in FY 1999-00 to 1,094 in FY 2000-01 and a decline in foster care caseload from 2,703 per month in FY 1999-00 to 2,668 per month in FY 2000-01. According to DHS, the State Department of Social Services recommended increased Child Welfare System staffing levels in County Human Services departments. DHS reports that the FY 2000-01 State allocation to San Francisco includes additional funds to support increased staffing for Family and Children Service. We are recommending approval of the 11.5 new positions.

Adult Services

DHS has requested 9 new positions in FY 2000-01, which include 8 new Senior Social Worker and 1 new Protective Services position. According to DHS, 2 of the 8 new Senior Social Worker

Department: **DSS HUMAN SERVICES (continued)**

positions would be allocated to San Francisco General Hospital (SFGH) to perform early discharge planning and alternative placement for SFGH patients who no longer require acute care hospitalization, and 6 of the 8 new Senior Social Worker positions would work with the In-Home Supportive Services (IHSS) program. DHS projects that IHSS caseload will increase by 639 cases per month, from a FY 1999-00 average monthly caseload of 9,855 to an estimated FY 2000-01 average monthly case load of 10,494. Additionally, DHS has proposed one Protective Services Supervisor to provide training and develop policies and procedures for Adult Protective Services. DHS states that the proposed training position is modeled after the Child Protective Service training position. We are recommending approval of the 9 new positions.

Homeless Services

DHS has requested two new Senior Administrative Analyst positions in the Homeless program to administer the Federal Housing and Urban Development (HUD) McKinney grant and to set up and administer the CalWORKS rent subsidy program. We are recommending approval of the two new positions.

DHS is also proposing four new programs in the FY 2000-01 Homeless Services program budget, totaling $2,025,000. $325,000 would pay for two programs which are losing Federal McKinney grant funds in FY 2000-01; $300,000 would pay for a professional services contract to coordinate homeless shelter services; $700,000 would pay for an additional hotel master lease for homeless clients; and $700,000 would pay for a professional services contract for additional homeless supportive services.

Administration

DHS is requesting two new positions in the Administration budget. DHS is proposing to create one new Program Support Analyst position, which is currently filled on a contractual basis. According to DHS, the costs of such contract have been deleted in the proposed budget. Additionally, DHS is proposing one new Senior Clerk Typist position to be assigned to the Family and Children Service program. We are recommending approval of the two new positions.

The proposed Administration budget also includes requests for rental space for new or expanded programs, or to relocate from existing space. These budget requests include $462,000 for expanded Career Center space at 3120 Mission Street, $319,200 for space for the Family Assessment Center, $360,000 to replace space currently located at 1800 Oakdale Avenue, and $168,000 to expand space at 3450 Third Street.

Program Support

DHS is requesting one new Senior Collections Officer to improve collection of outstanding debt owed to DHS. We are recommending approval of this new position.

Department: DSS HUMAN SERVICES (continued)

Facilities Maintenance

The proposed facilities maintenance budget has increased from $25,000 in FY 1999-00 to $730,796 in FY 2000-01. Funds for the proposed facilities maintenance budget would come from 1978 municipal bond proceeds and accrued interest for maintenance, repairs, and upgrades of the City-owned property at 170 Otis Street and funds from Federal and State sources would be used for repairs at the City-owned property at 1001 Polk Street.

Materials and Supplies

DHS has requested $1,612,533 in the FY 2000-01 budget for materials and supplies, which is $578,157 more than the FY 1999-00 budget amount of $1,034,376. The FY 2000-01 DHS budget request is based on actual expenditures for materials and supplies in FY 1999-00, plus a proposed one-time increase of $300,000 for materials and supplies, including computers, for new employees.

Equipment

The proposed DHS budget for equipment of $1,090,929 is unchanged from the FY 1999-00 budget, and includes requests for 23 automobiles to replace aging vehicles, 68 new PC computers and 6 laptop computers.

Position Summary

The proposed DHS budget includes $109,752,604 for personnel costs, which is $6,978,979 or 6.8 percent more, than the amount for personnel costs included in the revised FY 1999-2000 budget of $102,773,625. These increased costs result from: (a) $3,294,666 for 47.25 proposed new FTEs (totaling 59.5 new positions, with an annualized cost of $4,293,089), (b) $17,696 for substitutions, (c) $191,908 for temporary salaries, (d) $618,503 for premiums, such as longevity pay and shift differentials, and (e) $2,856,206 for MOU related increases in salaries and fringe benefits and other adjustments. In summary, we are recommending approval of 35 new FTES, representing 46.5 new positions on an annualized basis, of the proposed 47.25 FTEs requested in the FY 2000-01 budget and disapproval of 12.25 FTEs, representing 13 positions on an annualized basis.

COMMENT

The Mayor's budget provides an increase of 27,666,719. Our recommended reductions, which total $1,476,780 would still allow an increase of $26,189,939 or 6.4% in the Department's budget. Of the $1,476,780 in recommended reductions, $226,551 would result in a savings to the General Fund.

Department: DHS- Department of Human Services

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
CalWORKS - General Fund Non-Project								
1766	001	Permanent Salaries - Misc.				$11,828,565	$11,231,142	*
		* The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.						
1788	001	Senior Social	2912N	12.75	0.00	681,524	0	681,524
		Senior Social	2912L	0.00	6.00	0	320,717	(320,717)
		Disapprove 6.75 of the requested 12.75 new FTEs for CalWORKS. According to DHS, these positions would provide intensive social services for the harder-to-serve CalWORKS clients. However, these are new services and DHS has not provided sufficient justification for the extent of new social services or the actual number of new positions required. The Budget Analyst is recommending approval of 6.00 of the requested 12.75 FTEs as L or limited tenure positions, reflecting that these new positions are funded fully from State and Federal funds. In total, we are recommending approval of 35 of the 47.25 new FTEs included in the FY 2000-01 budget.						

epartment: DHS- Department of Human Services

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
788	001	Protective Services Supervisor	2944N	1.50	0.00	$105,940	$0	$105,940
		Protective Services	2944L	0.00	0.75	0	52,970	(52,970)
		Disapprove 0.75 FTE of the new Protective Services Supervisor, which serves as supervisor to the Senior Social Worker positions noted above. The Budget Analyst is recommending approval of 0.75 FTE as L or limited tenure position, reflecting that this new position is funded fully from State and Federal funds. In total, we are recommending approval of 35 of the 47.25 new FTEs included in the FY 2000-01 budget.						
789	001	Employment and Training	9703N	10.00	0.00	550,710	0	550,710
		Employment and Training	9703L	0.00	7.50	0	413,033	(413,032)
		Reduce 10 new FTEs, which were included in the budget as full year positions to 7.5 FTE, to reflect a hiring date of October 1, 2000. Additionally, the Budget Analyst recommends approval of 7.5 FTE as L or limited tenure position, reflecting that these new positions are funded fully from State and Federal funds. In total, we are recommending approval of 35 of the 47.25 new FTEs included in the FY 2000-01 budget.						

Department: DHS- Department of Human Services

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
1789	001	Employment and Training Specialist IV	9705N	0.75	0.00	$46,647	$0	$46,647
		Employment and Training	9705L	0.00	0.75	0	46,647	(46,647)
		Approve 0.75 FTE as L or limited tenure, reflecting that this new position is funded fully from State and Federal funds.						
1789	001	Attrition Savings	9993M			(606,513)	(652,481)	45,968
		Increase attrition savings by $45,968 to offset new positions which were budgeted at Step 5.						
1766	013	Mandatory Fringe Benefits				3,107,218	2,951,888	155,330
		Corresponds to recommended reduction in salaries						
1766	037	Aid Payments				37,336,594	37,162,533	174,061
		Reduce aid payments by $174,061 to reflect reduction in State cost of living adjustment for CalWORKS from 3.61 percent to 2.96 percent. This reduction would result in a savings of $4,351 to the General Fund.						

Food Stamps - General Fund Non-Project

1768	001	Permanent Salaries - Misc.				7,656,047	7,611,507	*
		* The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.						

Department: DHS- Department of Human Services

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
1790	001	Senior Eligibility	2905N	0.75	0.00	$38,954	$0	$38,954
		Disapprove 0.75 FTE 2905 Senior Eligibility Worker. DHS has not shown sufficient justification for this new position in the Food Stamps program, which received 18 new positions in FY 1999-00. DHS has projected a 9.8 percent decrease in caseload in FY 2000-01 from FY 1999-00. In total, we are recommending approval of 35 of the 47.25 new FTEs included in the FY 2000-01 budget.						
1791	001	Attrition Savings	9993M			(319,279)	(324,865)	5,586
		Increase attrition savings by $5,586 to offset the effect of the Department's upward substitution of two 2905 Senior Eligibility Worker to two 2913 Program Specialist, that would result in increased salary and fringe benefit costs made during the past year, without budgetary approval by the Board of Supervisors. This recommendation will enable the Department to continue to maintain the existing filled positions at the higher salary and fringe benefit cost, but will not result in additional expenditure for the Department because an offsetting amount will be eliminated from the budget by this increase in attrition savings.						
768	013	Mandatory Fringe Benefits				1,981,005	1,969,425	11,580
		Corresponds to recommended reduction in salaries						

Department: DHS- Department of Human Services

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
Employment and Training Service - General Fund Non-Project								
1794	001	Permanent Salaries - Misc.				$9,161,942	$9,077,339	*
		* The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.						
1795	001	Employment and Training	9704N	2.25	0.00	126,905	0	126,905
		Employment and Training	9704L	0.00	0.75	0	42,302	(42,302)
		Disapprove 1.50 FTE . DHS has not provided sufficient justification for these new positions which appear to duplicate some of the services provided to CalWORKS clients in the CalWORKS program. The Budget Analyst recommends approval of 0.75 FTE as L or limited tenure positions, reflecting that this position is fully funded from State and Federal funds. In total, we are recommending approval of 35 of the 47.25 new FTEs included in the FY 2000-01 budget.						
1771	013	Mandatory Fringe Benefits				758,162	736,165	21,997
		Corresponds to recommended reduction in salaries.						

partment: DHS- Department of Human Services

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
ult Services - General Fund Non-Project								
775	001	Permanent Salaries - Misc.				$7,416,163	$7,377,802	*
		* The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.						
800	001	Senior Social	2912N	6.00	0.00	320,717	0	320,717
		Senior Social	2912L	0.00	6.00	0	320,717	(320,717)
		Approve 6.00 FTE as L or limited tenure, reflecting that these new position are funded fully from State and Federal funds .						
801	001	Protective Services	2944N	0.75	0.00	52,970	0	52,970
		Protective Services	2944L	0.00	0.75	0	52,970	(52,970)
		Approve 0.75 FTE as L or limited tenure, reflecting that this new position is funded fully from State and Federal funds.						

Department: DHS- Department of Human Services

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
1801	001	Attrition Savings	9993M			$317,281	$278,920	$38,361
		Increase attrition savings by $38,361 to (a) offset new positions which were budgeted at Step 5 but may be hired at less than Step 5 and (b) offset the effect of the Department's upward substitution a 1444 Secretary I to a 1426 Senior Account Clerk, that would result in increased salary and fringe benefit costs made during the past year, without budgetary approval by the Board of Supervisors. This recommendation will enable the Department to continue to maintain the existing filled position at the higher salary and fringe benefit cost, but will not result in additional expenditure for the Department because an offsetting amount will be eliminated from the budget by this increase in attrition savings.					
1775	013	Mandatory Fringe Benefits				1,916,474	1,906,500	9,974
		Corresponds to recommended reduction in salaries.						

partment: DHS- Department of Human Services

ge o.	Object	Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
meless Services - General Fund Non-Project							
776	001	Permanent Salaries - Misc.			$725,612	$715,247	*
		* The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.					
02	001	Attrition Savings 9993M			45,319	34,954	10,365
		Increase attrition savings by $10,365 to offset new positions which were budgeted at Step 5 .					
76	013	Mandatory Fringe Benefits			209,672	206,977	2,695
		Corresponds to recommended reduction in salaries.					
776	027	Professional and Specialized Services			20,994,829	20994829*	
		Reserve $300,000 for the new Homeless Services program to coordinate homeless shelter services, pending submission of a program plan and budget details to the Board of Supervisors.					

Department: DHS- Department of Human Services

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
Administration - General Fund Non-Project								
1778	001	Permanent				$10,746,151	$10,732,768	*
		* The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.						
1804	001	Senior Clerk	1426N	0.75	0.00	31,242	0	31,242
		Senior Clerk	1426L	0.00	0.75	0	31,242	(31,242)
		Approve 0.75 FTE as L or limited tenure, to reflect that this position is fully funded from State and Federal funds.						
1807	001	Attrition Savings	9993M			(399,351)	(412,734)	13,383
		Increase attrition savings by $13,383 to (a) offset a new position which was budgeted at Step 5 , and (b) to offset the effect of the Department's upward substitution of four positions (1450 Executive Secretary I to 1452 Executive Secretary II; 1426 Senior Clerk Typist to 1450 Executive Secretary I; 1822 Administrative Analyst to 1823 Senior Administrative Analyst: and 1424 Clerk Typist to 1426 Senior Clerk Typest) that would result in increased salary and fringe benefit costs made during the past year, without budgetary approval by the Board of Supervisors. This recommendation will enable the Department to continue to maintain the existing filled positions at the higher salary and fringe benefit cost, but will not result in additional expenditure for the Department because an offsetting amount will be eliminated from the budget by this increase in attrition savings.						

Department: DHS- Department of Human Services

Page No.	Object	Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
778	013	Mandatory Fringe Benefits Corresponds to recommended reduction in salaries.			$2,837,352	$2,833,872	$3,480
778	035	Other Current Expenses * Reserve $1,309,200 for proposed new leases for relocation, expansion, or implementation of new programs for (a) 3120 Mission Street ($462,000), (b) 1800 Oakdale Street ($360,000), (c) Family Assessement Center ($319,200), and (d) 3450 Third Street ($168,000) pending submission of budget details to the Board of Supervisors.			10,632,367	10,632,367 *	
778	040	Materials and Supplies Reduce materials and supplies by $112,000. DHS included $300,000 in the proposed budget as a one-time expense to purchase computers and other supplies for 47.25 new FTEs (equal to 59.5 positions on an annualized basis) at a cost of approximately $5,000 per position . Based on the Budget Analyst's recommendation to reduce the number of new FTEs by 12.25 FTEs, and to approve 35 new FTEs (equal to approximately 46.67 positions on an annualized basis), and based on information provided by DHS regarding the cost of personal computers of approximately $4,000 per computer, the Budget Analyst recommends including $188,000 for computers and other supplies (approximately 47 positions on an annualized basis at a cost of $4,000 per position). Therefore, we are recommending a reduction of $112,000 ($300,000 less $188,000). The amount of $112,000 would result in General Fund savings.			1,583,043	1,471,043	112,000

Department: DHS- Department of Human Services

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
1779	060	Equipment				$1,090,929	$980,729	$110,200

Reduce the amount budgeted for equipment by $110,200, to reflect the actual cost of 23 new vehicles, 68 new personal computers, and 6 new laptop computers. The Budget Analyst is recommending approval of 23 new vehicles, 68 new personal computers, and 6 new laptop computers noted above, totaling $720,800. Additionally, the Budget Analyst is recommending approval of $259,929 for other requested equipment, including modular furniture, software upgrades, computer servers, and liquid crystal display projectors for a total equipment budget of $980,729 ($720,800 plus $259,929.) The amount of $110,200 would result in General Fund savings.

Program Support - General Fund Non-Project

1781	001	Permanent Salaries - Misc.				11,828,565	11,824,775	*

* The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.

1808	001	Attrition Savings	993M			273,210	269,420	3,790

Increase attrition savings by $3790 to offset new positions which were budgeted at Step 5.

epartment: DHS- Department of Human Services

age No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
781	013	Mandatory Fringe Benefits						
		Corresponds to recommended reduction in salaries.						
		Total Recommended Reductions						$1,463,780

DEPARTMENT: ENV ENVIRONMENT

FINANCIAL DATA:

The Environmental Department's proposed $1,430,999 budget for FY 2000-01 is $778,689 or 119.37 percent more than the original FY 1999-00 budget of $652,310. The net increase from the revised FY 1999-00 budget is $742,489 or 107.84 percent.

SUMMARY OF PROGRAM EXPENDITURES:

Program Expenditures	Fiscal Year 1999-2000 Original	Fiscal Year 1999-2000 Revised	Mayor's Budget Fiscal Year 2000-2001	Proposed Increase (Decrease) From 1999-2000 Original Budget
Environment	$ 552,310	$ 588,510	$ 1,430,999	$ 878,689
Total Operating Expenditures	$ 552,310	$ 588,510	$ 1,430,999	$ 878,689
Capital Improvements & Fac. Maint.	100,000	100,000	-	(100,000)
Total Expenditures	$ 652,310	$ 688,510	$ 1,430,999	$ 778,689
Less Work Order Recoveries	(89,100)	(125,300)	(491,400)	(402,300)
Net Expenditures	$ 563,210	$ 563,210	$ 939,599	$ 376,389

DEPARTMENT PERSONNEL SUMMARY:

The number of full-time equivalent positions budgeted for FY 2000-01 is 13.29 FTEs, which is 7.08 FTEs more than the 6.21 FTEs in the original FY 1999-2000 budget. The FTE allocations by program are as follows:

Full Time Equivalents	Fiscal Year 1999-2000 Original	Fiscal Year 1999-2000 Revised	Mayor's Budget Fiscal Year 2000-2001	Proposed Increase (Decrease) From 1999-2000 Original Budget
Environment	6.21	6.21	13.29	7.08
Total	6.21	6.21	13.29	7.08

Department: ENV ENVIRONMENT (continued)

The FY 2000-01 budget contains 7.08 additional FTEs, including 6.5 FTEs transferred from the Department of Administrative Services (DAS) and the Public Utilities Commission (PUC), 0.25 FTE for the annualization of a position approved in the FY 1999-00 budget and other adjustments.

DEPARTMENT REVENUES

General Fund Support for the Department of the Environment in the FY 2000-01 budget is $939,599 which is $376,389 or 66.8 percent more than General Fund Support of $563,210 in the original budget for FY 1999-00.

DESCRIPTION

The FY 2000-01 budget for the Department of the Environment is increasing by 119.37 percent over the original budget for FY 1999-00, resulting primarily from the transfer of the Clean Air Program from the Department of Administrative Services. The Clean Air Program is an umbrella program for several programs including the Commute Assistance Program, Cops on Bikes, and City Hall Parking. According to the Department, the request for increased funding is intended to provide the Department with the resources to improve delivery of environmental services and public outreach information regarding alternative transportation methods and efficient energy use.

Personnel The Department of the Environment is proposing 6.5 additional FTEs as follows:

- 5.5 FTEs transferred from the Department of Administrative Services as part of the Clean Air Program, which includes 3.0 FTE 1368 Special Assistant IX, 1.5 FTE 9910 Public Service Trainee, 1.0 FTE 1373 Special Assistant XI.

- 1.0 FTE 5633 Water and Power Specialist transferred from the Public Utilities Commission.

The Department of the Environment has also proposed upward substitutions of 1.0 FTE 1366 Special Assistant VI to 1.0 FTE 1312 Public Information Officer, and 1.0 FTE 1366 Special Assistant VI to 0.75 FTE 1368 Special Assistant IX.

Professional and Specialized Services The department is proposing an increase of $208,862 in Professional and Specialized Services, from $11,000 in FY 1999-00 to $219,862 in FY 2000-01. The proposed funds would be used for consultants (a) to implement various facets of the Clean Air Program as discussed above, and (b) for the Integrated Pest Management Program (IPM).

The IPM program would evaluate environmental and human attributes of pesticides used on City property, inform other City departments of the health effects of pesticides used on City property, and train City employees on the safe use of pesticides. The department would also use a portion of the funds for the cost of the City's annual IPM conference.

Department: ENV ENVIRONMENT (continued)

087 Expend for Recovery for Services to Non-AAO Funds

The department has budgeted for the recovery of $366,100, $260,646 of which comes from the San Francisco County Transportation Authority to reduce traffic congestion and improve air quality, and $99,454 of which comes from the Commuter Check Program to encourage the use of public transportation by City employees.

COMMENT

The Mayor's budget provides an increase of $778,689. Our recommended reductions, which total $53,852, would still allow an increase of $724,837 or 111.12 percent in the Department's budget.

partment: ENV Department of the Environment

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
815	001	Permanent Salaries - Misc.				$753,716	$738,556	*
		* The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.						
17	001	Water and Power Specialist	5633R			82,778	0	82,778
17	001	Water and Power Specialist	5633G			0	82,778	(82,778)
		Designate this position as 'G' for Grant funded.						
17	001	Public Service Trainee	9910N	0.5	0.5	4,832	0	4,832
17	001	Public Service Trainee	9910G	0.5	0.5	0	4,832	(4,832)
		Designate this position as 'G' for Grant funded.						
817	001	Attrition Savings	9993M			(16,240)	(31,400)	15,160
		Increase attrition savings to 4 percent, which corresponds to the Department's stated attrition rate of 4 percent and the increase in department salaries.						

Department: ENV Department of the Environment

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
1815	005	Temporary Salaries	TEMPM	0.32	0	$15,000	$0	$15,00
		Disapprove $15,000 in Temporary Salaries. The Department proposes to use the requested funds to pay 5 interns stipends of $3,000 each. The Department currently utilizes volunteers as interns and has not adequately justified additional temporary salary increases.						
1815	013	Mandatory Fringe Benefits				187,176	181,884	5,29
		The amount corresponds to the reduction in attrition and temporary salaries						
1815	027	Professional & Specialized Services				219,862	207,462*	12,40
		Disapprove $12,400 to pay outside consultants for Integrated Pest Management (IPM) services that duplicate duties of the 1312 Public Information Officer and 1368 IPM Coordinator.						
		*Reserve $71,000 for various Clean Air Program projects, pending submission of program plans and budget, and a report to the Board of Supervisors detailing why these contract services do not duplicate the responsibilities of 3-1368 Special Assistant positions transferred from the Department of Administrative Services.						

RECOMMENDATIONS OF THE BUDGET ANALYST FOR
AMENDMENT OF BUDGET ITEMS
2000-01

artment: ENV Department of the Environment

ge o.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
15	035	Other Current Expenses				$28,396	$28,396*	
		*Reserve $11,750 for public outreach materials, including EcoCenter materials, pending submission of budget details to the Board of Supervisors.						
15	060	Equipment Purchase				15,000	9,000	6,000
		Disapprove $6,000 for EcoCenter computers. At the time the Board of Supervisors approved new leased space (File 00-0613) for the Department, the Department was instructed by the Board of Supervisors not to include any EcoCenter related funding in the budget for FY 2000-01. However, the Budget Analyst is recommending the upgrade of four existing staff computers.						
		Total Recommended Reductions						$53,852

DEPARTMENT: HRC HUMAN RIGHTS COMMISSION

FINANCIAL DATA:

The Human Rights Commission's proposed $4,289,237 budget for FY 2000-01 is $277,178 or 6.91 percent more than the original FY 1999-00 budget of $4,012,059. The net increase from the revised FY 1999-00 budget is $277,178 or 6.91 percent.

SUMMARY OF PROGRAM EXPENDITURES:

Program Expenditures	Fiscal Year 1999-2000 Original	Fiscal Year 1999-2000 Revised	Mayor's Budget Fiscal Year 2000-2001	Proposed Increase (Decrease) From 1999-2000 Original Budget
Human Rights Commission	$ 4,012,059	$ 4,012,059	$ 4,289,237	$ 277,178
Less Work Order Recoveries	(2,193,709)	(2,193,709)	(2,484,654)	(290,945)
Net Expenditures	$ 1,818,350	$ 1,818,350	$ 1,804,583	$ (13,767)

DEPARTMENT PERSONNEL SUMMARY:

The number of full-time equivalent positions budgeted for FY 2000-01 is 42.64 FTEs, which is 0.27 FTEs more than the 42.37 FTEs in the original FY 1999-00 budget. The FTE allocations by program are as follows:

Full Time Equivalents	Fiscal Year 1999-2000 Original	Fiscal Year 1999-2000 Revised	Mayor's Budget Fiscal Year 2000-2001	Proposed Increase (Decrease) From 1999-2000 Original Budget
Human Rights Commission	42.37	42.37	42.64	0.27
Total	42.37	42.37	42.64	0.27

Department: HRC HUMAN RIGHTS COMMISSION (continued)

The net increase of 0.27 FTEs is due to 2.25 new FTE positions included in the FY 2000-01 budget offset by reductions of 1.98 FTEs, resulting from substitutions, the termination of grant funded positions and other adjustments.

DEPARTMENT REVENUES

General Fund Support for the Human Rights Commission budgeted for FY 2000-01 is $1,804,583, which is $78,432, or 4.5 percent more than the General Fund Support of $1,726,151 in the original FY 1999-00 budget.

DESCRIPTION

Personnel: The Human Rights Commission has proposed 2.25 new FTEs for Contract Compliance Officers in its FY 2000-01 budget to monitor compliance with the Equal Benefits Ordinance. However, a study commissioned by the Mayor released its findings in June of 2000 and included the recommendation that the contract compliance function, currently performed by the Human Rights Commission, be transferred to the Controller's Office.

Department: HRC Human Rights Commission

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
General Fund - Non Project								
1821	001	Permanent Salaries - Misc.				$ 1,014,169	$ 1,006,444	*
		* The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.						
1824	001	Executive Secretary II	1452	1.00	1.00	54,381	54,381*	
		* Reserve this position, which has been vacant since July 1, 1999, pending determination of the transfer of the contract compliance function to the Controller's Office.						
1824	001	Attrition Savings - Misc	9993M			(49,309)	(57,034)	7,725
		Increase attrition savings by $7,725 to represent the same percentage of permanent salaries in the FY 2000-01 budget as in the FY 1999-00 budget.						
1821	013	Mandatory Fringe Benefits				245,129	243,120	2,009
		Corresponds to reduction in permanent salaries.						

RECOMMENDATIONS OF THE BUDGET ANALYST FOR
AMENDMENT OF BUDGET ITEMS
2000-01

Department: HRC Human Rights Commission

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
General Fund Work Order Fund								
322	001	Permanent Salaries - Misc.				$1,630,676	$1,478,213	*
		* The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.						
325	001	Contract Compliance Officers Officer I	2992	2.25	0	152,463	0	152,463
		Disapprove 2.25 new Contract Compliance Officer I FTEs. A recent study has recommended that the contract compliance responsibility be transferred to the Controller's Office. The new positions should be deferred pending determination of such transfer. Furthermore, the Human Rights Commission already has 17.75 current contract compliance positions.						
122	013	Mandatory Fringe Benefits				392,671	353,031	39,640
		Corresponds to reduction in permanent salaries.						
122	035	Other Current Expenses				61,368	6,568	54,800
		Reduce to actual 1999-00 expenditure level adjusted by a cost of living factor for FY 2000-01.						
		Total Recommended Reductions						$ 256,637

DEPARTMENT: RNT RENT ARBITRATION BOARD

FINANCIAL DATA:

The Rent Arbitration Board's proposed $3,264,533 budget for FY 2000-01 is $108,533 or 3.44 percent more than the original FY 1999-2000 budget of $3,156,000. The net decrease from the revised FY 1999-2000 budget is $49,941 or 1.51 percent.

SUMMARY OF PROGRAM EXPENDITURES:

Program Expenditures	Fiscal Year 1999-2000 Original	Fiscal Year 1999-2000 Revised	Mayor's Budget Fiscal Year 2000-2001	Proposed Increase (Decrease) From 1999-2000 Original Budget
Rent Board	$ 3,156,000	$ 3,314,474	$ 3,264,533	$ 108,533
Total Expenditures	$ 3,156,000	$ 3,314,474	$ 3,264,533	$ 108,533

DEPARTMENT PERSONNEL SUMMARY:

The number of full-time equivalent positions budgeted for FY 2000-01 is 30.79 FTEs, which is 1.25 FTEs less than the 32.04 FTEs in the original FY 1999-2000 budget. The FTE allocations by program are as follows:

Full Time Equivalents	Fiscal Year 1999-2000 Original	Fiscal Year 1999-2000 Revised	Mayor's Budget Fiscal Year 2000-2001	Proposed Increase (Decrease) From 1999-2000 Original Budget
Rent Board	32.04	32.04	30.79	(1.25)
Total	32.04	32.04	30.79	(1.25)

Department: RNT RENT ARBITRATION BOARD (continued)

DEPARTMENT REVENUES

All rental units in the City, with specific exceptions, are subject to the provisions of the Rent Arbitration Board (Rent Board) Ordinance and the Rent Board's annual fees. The activities of the Rent Board are funded by these fees, which were increased from $10 to $16 for each rental unit, a 60 percent increase, in 1999. The Department has budgeted $3,136,000 from this source for FY 2000-01, the same amount budgeted in the current fiscal year.

Department revenues are projected to decrease by $49,941 or 1.58 percent, primarily due to carryforward revenues of $108,533, which are reduced by the one-time $175,000 appropriation of General Fund revenue in the current Fiscal Year to conduct a Socio-Economic Study, which will not occur in the next Fiscal Year. The Rent Board conducted a Public Hearing on the Socio-Economic Study in May of 2000, to obtain public comments on the issues of concern to be included in the proposed Study. In order to select the consultant to perform this Socio-Economic Study, the Rent Board anticipates issuing a Request for Qualifications (RFQ) in mid-July and awarding a contract during the Fall. The Socio-Economic Study is anticipated to take approximately one year to complete, or by the Fall of 2001.

DESCRIPTION

Although the Rent Board is not adding any new full-time staff positions in the proposed budget, there will be an increase in Permanent Salaries – Misc. of $216,774 and related Mandatory Fringe Benefits of $45,694. This increase results from three substitutions: (1) one 1652 Senior Accountant to one 1654 Principal Accountant; (2) one 8176 Trial Attorney to one 8178 Senior Trial Attorney, and (3) one 1244 Senior Personnel Analyst to one 1270 Departmental Personnel Officer; which have been approved by the Department of Human Resources at an annualized additional cost of $23,200. The Budget Analyst notes that there is a 0.07 increase due to annualization of the 1244 Senior Personnel Analyst position, which is shared among four, small departments (Department on the Status of Women, Rent Board, Commission on Aging, and the Art Commission). During last year's budget cycle, the requested 1270 position had been cut to a 1244 position. According to the Department, a suitable candidate could not be procured at the lower 1244 position level.

In addition, annualizations of six new positions added during the current year will result in increased costs in FY 2000-01 of $124,523. The balance of the increased personnel costs is due to further step adjustments for existing staff. To offset a portion of these increased costs, Temporary Salaries will be reduced by $125,000, eliminating the three temporary 8176 Trial Attorneys hired during the current year, to reduce the Rent Board's backlog of cases. The increased costs to pay for the recently approved SEIU contractual wage rates will be paid from the existing budget, through an increase in Attrition Savings.

Department: RNT RENT ARBITRATION BOARD (continued)

An ordinance (File 00-1104) is currently pending before the Board of Supervisors regarding changes to the Rent Board Ordinance Capital Improvements provisions and including a 50 percent Bond Cost Passthrough from Landlords to Tenants. The Rent Board advises that this proposed ordinance would implement a pilot No-Hearing Program, which would provide an alternative procedure in FY 2000-01 for deciding certain non-complex landlord capital improvement passthrough petitions and tenant hardship deferment petitions. According to the Rent Board, implementation of such a Program could increase the number of filings because the simplicity of the process may encourage persons to file such petitions that have not done so previously. In addition, the remaining capital improvement petitions may become more complex, resulting in more lengthy cases. At the same time, the length of time to handle each petition may decrease because a faster turnaround would be required by the new process, resulting in quicker responses by the Rent Board. Further, there may be a reduction in the total number of filings from those landlords who previously filed for passthroughs because of the proposed limitations on the ability to file. In summary, the Rent Board advises that, although it is extremely difficult to estimate the actual impact of each of these variables at this time, some additional staff may be required if the pending ordinance (File 00-1104) is approved.

COMMENT

The Mayor's budget provides an increase of $108,533. Our recommended reductions, which total $16,692, would still allow an increase of $91,841 or 2.91% in the Department's budget.

RECOMMENDATIONS OF THE BUDGET ANALYST FOR
AMENDMENT OF BUDGET ITEMS
2000-01

epartment: RNT - Rent Arbitration Board

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
CCC		Rent Board						
29	009	Premium Pay				$16,876	$14,026	$2,850
		Reduce to reflect the Mayor's disapproval of two additional 1446 Secretary IIs,who would have otherwise qualified for this Premium Pay.						
29	013	Mandatory Fringe Benefits				$477,081	$463,239	$13,842
		Adjust calculation for Fringe Benefits to reflect the substitution of three full-time staff for six part-time staff.						
		Total Recommended Reductions						$16,692

DEPARTMENT: WOM DEPARTMENT OF THE STATUS OF WOMEN

FINANCIAL DATA:

The Department of the Status of Women proposed $2,700,790 budget for FY 2000-01 is $102,269 or 3.94 percent more than the original FY 1999-00 budget of $2,598,521. The net increase from the revised FY 1999-00 budget is $74,969 or 2.86 percent.

SUMMARY OF PROGRAM EXPENDITURES:

Program Expenditures	Fiscal Year 1999-2000 Original	Fiscal Year 1999-2000 Revised	Mayor's Budget Fiscal Year 2000-2001	Proposed Increase (Decrease) From 1999-2000 Original Budget
Children's Baseline	$ 165,997	$ -	$ 165,997	$ -
Commission on Status of Women	2,248,524	2,441,821	2,350,793	102,269
Domestic Violence Program	184,000	184,000	184,000	-
Total Expenditures	$ 2,598,521	$ 2,625,821	$ 2,700,790	$ 102,269
Less Work Order Recoveries	-	(27,300)	(54,600)	(54,600)
Net Expenditures	$ 2,598,521	$ 2,598,521	$ 2,646,190	$ 47,669

DEPARTMENT PERSONNEL SUMMARY:

The number of full-time equivalent positions budgeted for FY 2000-01 is 7.84 FTEs, which is 0.07 FTEs more than the 7.77 FTEs in the original FY 1999-00 budget. The FTE allocations by program are as follows:

Full Time Equivalents	Fiscal Year 1999-2000 Original	Fiscal Year 1999-2000 Revised	Mayor's Budget Fiscal Year 2000-2001	Proposed Increase (Decrease) From 1999-2000 Original Budget
Commission on the Status of Women	7.77	7.77	7.84	0.07
Total	7.77	7.77	7.84	0.07

Department: WOM DEPARTMENT OF THE STATUS OF WOMEN (continued)

DEPARTMENT REVENUES

The projected revenue for FY 2000-01 remains unchanged from FY 1999-00 at $216,000. General Fund support has increased by $47,669 or 1.99 percent.

DESCRIPTION

The net increase in Department operating expenditures from the FY 1999-00 original budget is $47,669. The non-personnel, net increase in expenditures, totaling $38,974, is summarized below:

- $346,114 net increase in 038 City Grant Programs, which totals $1,842,625 in the Mayor's proposed budget and represents the associated costs of the City's funding of domestic violence shelters and victim services. The net increase includes:
  - $349,997 increase due to an expenditure reallocation from 027 Professional & Specialized Services (including $165,997 from the Children's Baseline and $184,000 from the Domestic Violence Program) and
  - $ 3,883 decrease in grant expenditures.
- $199,497 net decrease in 027 Professional & Specialized Services including:
  - $349,997 decrease due to expenditure reallocation to 038 City Grant Programs,
  - $100,000 increase due to an expenditure reallocation from 035 Other Current Expenses, and
  - $ 50,500 increase related to DHS work order expenditures pertaining to domestic violence prevention services for CalWORKS clients (all of which is fully recoverable).
- $ 95,900 net decrease in 035 Other Current Expenses due to:
  - $100,000 decrease due to an expenditure reallocation to 027 Professional & Specialized Services
  - $ 4,100 increase related to DHS work order expenditures pertaining to domestic violence prevention services for CalWORKS clients (all of which is fully recoverable).
- $ 54,600 decrease in 086 Interdepartmental Recovery due DHS work order recoveries related to domestic violence prevention services for CalWORKS clients.
- $ 21,700 increase in 060 Equipment Purchase pertaining to the purchase of eight computers and one LaserJet printer.
- $ 17,578 increase in 081 Services of Other Departments due to the increase in work order expenditures as a result of increasing Telecommunication and Information Systems charges.
- $ 3,579 increase in 049 Other Materials & Supplies for ergonomically correct furniture.

Department: WOM DEPARTMENT OF THE STATUS OF WOMEN (continued)

Personnel: The proposed budget includes a net increase of 0.07 full-time equivalent (FTE) positions over the FY 1999-00 original budget. The proposed budget includes salaries and fringe benefits costs of $571,091, a net increase of $8,695 or 1.55 percent over the FY 1999-00 original budget.

The increase in FTEs is summarized below:

- 0.07 increase due to the annualization of a 1244 Senior Personnel Analyst position, which is shared among four, small departments (Department on the Status of Women, Rent Board, Commission on Aging, and the Art Commission).
- The proposed budget also includes a position substitution of the above 1244 position to a higher-paid 1270 Departmental Personnel Officer position. During last year's budget cycle the requested 1270 position had been cut to a 1244 position. According to the department a suitable candidate could not be procured at the 1244 position level.

The increase in salaries and fringe benefits costs is summarized below:

- $2,226 increase in salary costs, and
- $6,469 increase in fringe benefits costs.

COMMENT

The Mayor's budget provides an increase of $102,269. Our recommended reductions, which total $907, would still allow an increase of $101,362 or 3.90 percent in the Department's budget.

partment: WOM - Department on the Status of Women

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
336	060	Equipment Purchase				$ 21,700	$ 20,793	$ 907
		Reduce budget to actual purchase quote: $2,395 per unit including computer, monitor, speakers, software, tax and the Committee on Information Technology fee for a total of $19,160 for eight units and $1,633 for one LaserJet printer.						
		Total Recommended Reductions						$ 907

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS 2000-01

DEPARTMENT: HCN COMMUNITY HEALTH NETWORK

FINANCIAL DATA:

The Community Health Network's proposed $525,519,912 budget for FY 2000-01 is $19,475,449 or 3.57 percent less than the original FY 1999-00 budget of $544,995,361. The net increase from the revised FY 1999-00 budget is $9,250,854 or 1.79 percent.

SUMMARY OF PROGRAM EXPENDITURES:

Program Expenditures	Fiscal Year 1999-2000 Original	Fiscal Year 1999-2000 Revised	Mayor's Budget Fiscal Year 2000-2001	Proposed Increase (Decrease) From 1999-2000 Original Budget
CHF-Public Health	$ 257,762	$ 257,762	$ -	$ (257,762)
Children's Baseline	11,699,699	11,699,699	12,013,500	313,801
Forensics - Ambulatory Care	21,396,862	21,531,862	21,545,368	148,506
Laguna Honda -Comm Support Care	991,451	991,451	997,795	6,344
Laguna Honda Hosp -Acute Care	1,616,082	1,616,082	1,624,089	8,007
Laguna Honda -Long Term Care	117,849,918	118,052,626	121,127,618	3,277,700
Primary Care-Ambu Care -Health Cntr	39,030,961	39,843,756	38,545,776	(485,185)
Primary Care-Comm Supp - IHSS	828,918	828,918	747,698	(81,220)
SFGH- Acute Care-Forensics	2,008,055	2,008,055	2,014,256	6,201
SFGH- Acute Care-Hospital	285,253,675	257,360,572	258,292,560	(26,961,115)
SFGH- Acute Care-Psychiatry	21,614,806	22,026,019	22,607,840	993,034
SFGH- Ambu Care-Adult Med Hlth Cntr	2,885,772	2,885,772	2,983,125	97,353
SFGH- Ambu Care-Family Health Cntr	2,891,703	2,542,626	1,838,919	(1,052,784)
SFGH- Ambu Care-Methadone Clinic	-	890,139	1,605,908	1,605,908
SFGH- Ambu Care-Methadone Grant	541,061	(1)	-	(541,061)
SFGH- Ambu Care-Occupational Health	2,269,109	1,604,058	1,607,248	(661,861)
SFGH- Ambu Care-Women's Health Cntr	1,959,840	1,959,840	2,084,478	124,638
SFGH- Early Prevention- Poison Control	-	-	-	-
SFGH-Emergency- Emergency	10,324,835	10,324,835	11,080,375	755,540
SFGH-Emergency- Psychiatric Services	4,105,715	4,105,715	4,113,551	7,836
SFGH-Long Term Care- RF Psychiatry	13,577,137	13,577,137	13,743,577	166,440
Total Operating Expenditures	$ 541,103,361	$ 514,106,923	$ 518,573,681	$ (22,529,680)
Capital Improvements & Fac. Maint.	3,892,000	2,162,135	6,946,231	3,054,231
Total Expenditures	$ 544,995,361	$ 516,269,058	$ 525,519,912	$ (19,475,449)
Less Work Order Recoveries	(16,446,969)	(16,086,744)	(16,278,883)	168,086
Net Expenditures	$ 528,548,392	$ 500,182,314	$ 509,241,029	$ (19,307,363)

Department: HCN COMMUNITY HEALTH NETWORK (continued)

DEPARTMENT PERSONNEL SUMMARY:

The number of full-time equivalent positions budgeted for FY 2000-01 is 4,789.96 FTEs, which is 86.69 FTEs less than the 4,876.65 FTEs in the original FY 1999-00 budget. The FTE allocations by program are as follows:

Full Time Equivalents	Fiscal Year 1999-2000 Original	Fiscal Year 1999-2000 Revised	Mayor's Budget Fiscal Year 2000-2001	Proposed Increase (Decrease) From 1999-2000 Original Budget
CHF-Public Health	4.38	4.38	-	(4.38)
Children's Baseline	144.12	144.12	147.27	3.15
Forensics -.Ambulatory Care	208.71	208.71	202.98	(5.73)
Laguna Honda -Long Term Care	1,480.81	1,480.81	1,495.43	14.62
Laguna Honda Hosp -Acute Care	18.23	18.23	18.25	0.02
Laguna Honda -Comm Support Care	15.57	15.57	15.09	(0.48)
Primary Care-Ambu Care -Health Cntrs	450.50	450.50	444.09	(6.41)
Primary Care-Comm Supp - IHSS	8.84	8.84	8.25	(0.59)
SFGH- Acute Care-Forensics	24.74	24.74	24.73	(0.01)
SFGH- Acute Care-Hospital	1,868.43	1,868.43	1,782.42	(86.01)
SFGH- Acute Care-Psychiatry	182.18	182.18	182.54	0.36
SFGH- Ambu Care-Adult Med Hlth Cntr	41.93	41.93	41.49	(0.44)
SFGH- Ambu Care-Family Health Care	27.77	27.77	22.45	(5.32)
SFGH- Ambu Care-Methadone Clinic	-	-	13.91	13.91
SFGH- Ambu Care-Methadone Grant	8.58	8.58	-	(8.58)
SFGH- Ambu Care-Occupational Health	19.11	19.11	14.11	(5.00)
SFGH- Ambu Care-Women's Health Cntr	24.53	24.53	24.53	-
SFGH-Emergency- Emergency	95.23	95.23	99.69	4.46
SFGH-Emergency- Psychiatric Services	40.88	40.88	40.85	(0.03)
SFGH-Long Term Care- RF Psychiatry	212.11	212.11	211.88	(0.23)
Total	4,876.65	4,876.65	4,789.96	(86.69)

DEPARTMENT REVENUES

Department revenue for the Community Health Network budgeted for FY 2000-01 is $559,359,581, which is $21,851,372 less than the department revenue of $581,210,953 in the FY 1999-00 original budget.

Department: HCN COMMUNITY HEALTH NETWORK (continued)

General Fund support for the Community Health Network budgeted for FY 2000-01 is $155,200,811, which is $14,407,143 more than the General Fund support of $140,793,668 in the FY 1999-00 original budget.

Major revenue changes in the Community Health Network include: (a) increased insurance and non-Medicare and non-Medi-Cal patient revenues for San Francisco General Hospital (SFGH), (b) reduced Medicare revenues for SFGH and Laguna Honda Hospital (LHH) but increased Medicare revenues for Primary Care, (c) reduced Medi-Cal revenues for SFGH and Primary Care but increased Medi-Cal revenues for LHH, (d) decreased SB 855 revenues for SFGH, (e) increased State realignment revenues for SFGH, and (f) increased bad debts for SFGH and Primary Care.

DESCRIPTION

The decrease in Community Health Network (HCN) total expenditures from the FY 1999-00 original budget is $19,475,449. Major expenditure changes in the proposed budget, as compared to the original FY 1999-00 budget, are summarized below:

- $3.1 million funding decrease for salaries due to the net decrease of 86.60 FTE positions.
- $5.0 million funding decrease for materials and supplies due primarily to reduced SFGH pharmaceutical expenditures as a result of the proposed transfer of outpatient pharmacy services from SFGH to community pharmacies.
- $30.0 million funding decrease for other fixed charges offset by funding increases of (a) $12.4 million for professional and specialized services, (b) $0.8 million for LHH and Forensic Services hospital, clinic, and laboratory supplies, (c) $2.6 million for new medical and computing equipment purchases, and (d) $3.3 million for building improvements to ensure the seismic safety of SFGH and its Plant Building, and to improve patient care facilities at SFGH and LHH.
- $0.8 million funding decrease for equipment rental and lease, facilities maintenance, and utilities.

The proposed budget includes a net decrease of 86.69 full-time equivalent (FTE) positions over the FY 1999-00 original budget. In the FY 2000-01 proposed budget, the Community Health Network has eliminated 116.59 FTE positions and added 29.90 FTE new positions. The 29.90 FTE new positions are as follows:

- 4.15 FTE new positions to generate clinical, administrative, and financial enhancements to the Trauma Program in order to maintain the SFGH Trauma Center's State of California

Department: HCN COMMUNITY HEALTH NETWORK (continued)

[Title 22] and American College of Surgeons Level 1 Trauma Center designation. These 4.15 FTE new positions represent 4.40 FTE positions on an annualized basis at a maximum annual salary cost of $310,190 (exclusive of mandatory fringe benefits).

- 8.30 FTE new positions to staff the enhanced Wound Care Service at SFGH Department of Surgery and the new outpatient Soft Tissue Wound Center. These 8.30 FTE new positions represent 8.30 FTE positions on an annualized basis at a maximum annual salary cost of $560,924 (exclusive of mandatory fringe benefits).

- 5.70 FTE new positions to staff the new fourth behavioral unit at LHH. These 5.70 FTE new positions represent 6.20 FTE positions on an annualized basis at a maximum annual salary cost of $333,107 (exclusive of mandatory fringe benefits).

- 6.50 FTE new nursing assistant positions at LHH to reduce nursing registry expenses. These 6.50 FTE new positions represent 6.50 FTE positions on an annualized basis at a maximum annual salary cost of $306,566 (exclusive of mandatory fringe benefits).

- 1.50 FTE new positions for the new Medicare outpatient billing reimbursement system's Ambulatory Payment Classifications. These 1.50 FTE new positions represent 2.00 FTE positions on an annualized basis at a maximum annual salary cost of $95,914 (exclusive of mandatory fringe benefits).

- 1.50 FTE new positions to maintain the laboratory services provided at LHH by two Clinical Laboratory Technologists for whom funding but not designated positions were transferred from SFGH eight years ago. These 1.50 FTE new positions represent 2.00 FTE positions on an annualized basis at a maximum annual salary cost of $108,888 (exclusive of mandatory fringe benefits).

- 0.75 FTE new position to maintain the counseling services provided by the LHH Substance Abuse Program by a Health Worker III who has been funded for the last two years by salary savings from two 0.5 FTE positions. This 0.75 FTE new position represents a 1.00 FTE position on an annualized basis at a maximum annual salary cost of $45,136 (exclusive of mandatory fringe benefits).

- 1.50 FTE new positions to expand speech pathologist and occupational therapist services at LHH and to replace the use of registry services. These 1.50 FTE new positions represent 2.00 FTE positions on an annualized basis at a maximum annual salary cost of $141,544 (exclusive of mandatory fringe benefits).

Of the 29.90 FTE new positions proposed by the Department, we recommend (a) approval of 18.90 FTE new positions, and (b) a reduction of attrition savings in the amount of $764,520 to permit

Department: HCN COMMUNITY HEALTH NETWORK (continued)

hiring of existing vacant positions to enable the Department to staff the functions of the remaining 11.00 FTEs.

The Community Health Network's FY 2000-01 proposed budget also contains approximately 78 position substitutions which result in a projected net decrease in expenditures of $258,181 in FY 2000-01.

Department: HCN - Community Health Network

Page No.	Object	Account Title	Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
GH - Acute Care - Hospital (D1H)								
66	001	Permanent Salaries - Misc. * The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.				$62,040,931	$61,918,666	*
12	001	Health Care Analyst Disapprove new position on basis that an existing vacant 2119 position in HCN can be reallocated to staff this function. Attrition savings are decreased accordingly below.	2119 N	0.50	0.00	30,421	0	30,421
15	001	Medical Social Worker Disapprove new position on basis that an existing vacant 2920 position in HCN can be reallocated to staff this function. Attrition savings are decreased accordingly below.	2920 N	0.50	0.00	31,411	0	31,411

Department: HCN - Community Health Network

Page No.	Object	Account Title	Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
1916	001	Attrition Savings - Misc.	9993M	(247.04)	(248.31)	$ (11,775,737)	$ (11,836,170)	$ 60,43

The sum of the following increases and decreases which sum to a total increase in Attrition Savings - Misc. of $60,433.

1. Increase attrition savings by $122,265 to offset the effect of HCN's upward substitution of (1) a 2452 Director of Pharmaceuticals position for a 1375 Special Assistant XVI position, (2) a 1654 Principal Accountant position for a 1655 Systems Accountant, (3) a 2450 Pharmacist position for a 2143 Hospital Assistant Administrator position, (4) a 1070 Project Director position for a 1071 Information Systems Manager position, (5) a 1373 Special Assistant XIV position for a 2145 Hospital Associate Administrator position, (6) a 1446 Secretary II position for a 7348 Steamfitter position, and (7) a 2145 Hospital Associate Administrator position for a 2148 Senior Hospital Associate Administrator. These upward substitutions would result in increased salary and fringe benefits costs made during the past year, without budgetary approval by the Board of Supervisors. This recommendation will enable the Department to continue to maintain the existing filled positions at the higher salary and fringe benefit costs, but will not result in additional expenditure for the Department because an offsetting amount will be eliminated from the budget by this increase in attrition savings.

2. Reduce attrition savings by $61,832 to permit staffing of (1) an existing vacant 2119 position @ 0.50 FTE ($30,421) , and (2) an existing vacant 2920 position @ 0.50 FTE ($31,411).

1866	004	Permanent Salaries - Nurses				32,244,151	32,244,151	*

* The recommended reduction in Permanent Salaries - Nurses is the total of the following specific recommendations regarding individual classifications.

rtment: HCN - Community Health Network

Object	Account Title	Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
004	Nurse Practitioner	2328 N	3.60	0.00	$ 290,806	$0	$ 290,806
	Disapprove new 3.60 FTE positions on basis that existing vacant 2328 positions in HCN can be reallocated to staff this function. Attrition savings are decreased accordingly below.						
004	Attrition Savings - Nurses	9993M	(44.92)	(40.59)	(3,015,598)	(2,724,792)	(290,806)
	Reduce Attrition Savings - Nurses by $290,806 to permit staffing of existing vacant 2328 positions @ 3.60 FTEs.						
013	Mandatory Fringe Benefits				23,107,490	23,075,701	31,789
	Corresponds to reduction in salaries.						
I - Acute Care - Psychiatry (D1P)							
004	Permanent Salaries - Nurses				6,572,835	6,570,569	*
	* The recommended reduction in Permanent Salaries - Nurses is the total of the following specific recommendations regarding individual classifications.						
004	Permanent Salaries - Nurses				6,572,835	6,572,835*	
	Reserve $800,000 for SFGH Acute Care Psychiary in relation to a budget initiative to retain 22 psychiatric beds at SFGH pending submission of cost details to the Board of Supervisors.						

Department: HCN - Community Health Network

Page No.	Object	Account Title	Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
1920	004	Attrition Savings - Nurses	9993M	(0.58)	(0.61)	$ (37,840)	$ (40,106)	$ 2,266
		Increase Attrition Savings - Nurses by $2,266 to offset the effect of HCN's upward substitution of a 2323 Clinical Nurse Specialist position for a 2324 Nursing Supervisor position. This substitution would result in increased salary and fringe benefits costs made during the past year, without budgetary approval by the Board of Supervisors. This recommendation will enable the Department to continue to maintain the existing filled position at the higher salary and fringe benefit costs, but will not result in additional expenditure for the Department because an offsetting amount will be eliminated from the budget by this increase in attrition savings.							
1872	013	Mandatory Fringe Benefits				2,586,826	2,586,237	589
		Corresponds to reduction in salaries.						
1872	027	Professional and Specialized Services				8,184,515	8,184,515*	
		Reserve $400,000 for SFGH Acute Care Psychiatry in relation to a budget initiative to retain 22 psychiatric beds at SFGH pending submission of cost details to the Board of Supervisors.						

artment: HCN - Community Health Network

e	Object	Account Title	Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
		H - Ambulatory Care - Adult Medicine Health Center (D3A)						
4	001	Permanent Salaries - Misc.				$ 1,123,110	$ 1,076,945	*
		* The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.						
1	001	Attrition Savings - Misc.	9993M	(1.82)	(2.81)	(84,578)	(130,743)	46,165
		Increase Attrition Savings - Misc. by $46,165 to offset the effect of HCN's upward substitution of (1) a 2430 Medical Evaluations Assistant position for a 2230 Physician Specialist position, (2) 8202 Security Guard position for a 8204 Institutional Police Officer position, and (3) a 2430 Medical Evaluations Assistant position for a 8204 Institutional Police Officer position. These substitutions would result in increased salary and fringe benefits costs made during the past year, without budgetary approval by the Board of Supervisors. This recommendation will enable the Department to continue to maintain the existing filled positions at the higher salary and fringe benefit costs, but will not result in additional expenditure for the Department because an offsetting amount will be eliminated from the budget by this increase in attrition savings.						
7	004	Permanent Salaries - Nurses				1,126,791	1,100,082	*
		* The recommended reduction in Permanent Salaries - Nurses is the total of the following specific recommendations regarding individual classifications.						

Department: HCN - Community Health Network

Page No.	Object	Account Title	Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
1922	004	Attrition Savings - Nurses	9993M	(0.02)	(0.38)	$ (1,483)	$ (28,192)	$ 26,70
		Increase Attrition Savings - Nurses by $26,709 to offset the effect of HCN's upward substitution of (1) a 2320 Registered Nurse position for a 2322 Head Nurse position, and (2) a 2430 Medical Evaluations Assistant position for a 2322 Head Nurse position. These substitutions would result in increased salary and fringe benefits costs made during the past year, without budgetary approval by the Board of Supervisors. This recommendation will enable the Department to continue to maintain the existing filled positions at the higher salary and fringe benefit costs, but will not result in additional expenditure for the Department because an offsetting amount will be eliminated from the budget by this increase in attrition savings.						
1874	013	Mandatory Fringe Benefits				558,187	539,240	18,94
		Corresponds to reduction in salaries.						
SFGH - Emergency - Emergency (D5E)								
1883	001	Permanent Salaries - Misc.				1,256,748	1,256,748	*
		* The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.						

rtment: HCN - Community Health Network

Object	Account Title	Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
001	Medical Social Worker	2920 N	1.70	0.00	$ 106,799	$0	$ 106,799
	Disapprove new positions on basis that existing vacant 2920 positions in HCN can be reallocated to staff this function. Attrition savings are decreased accordingly below.						
001	Attrition Savings - Misc.	9993M	(1.52)	1.19	(59,983)	46,816	(106,799)
	Reduce Attrition Savings - Misc. by $106,799 to permit staffing of existing vacant 2920 positions @ 1.70 FTEs.						
004	Permanent Salaries - Nurses				4,117,710	4,117,710	*
	* The recommended reduction in Permanent Salaries - Nurses is the total of the following specific recommendations regarding individual classifications.						
004	Nurse Practitioner	2328 N	1.70	0.00	137,325	0	137,325
	Disapprove new positions on basis that existing vacant 2328 positions in HCN can be reallocated to staff this function. Attrition savings are decreased accordingly below.						

Department: HCN - Community Health Network

Page No.	Object	Account Title	Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
1929	004	Attrition Savings - Nurses	9993M	(0.34)	1.94	$ (20,459)	$ 116,866	$ (137,325)
		Reduce Attrition Savings - Nurses by $137,325 to permit staffing of existing vacant 2328 positions @ 1.70 FTEs.						
Laguna Honda - Long Term Care (DA5)								
1887	001	Permanent Salaries - Misc.				58,564,921	58,473,007	*
		* The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.						
1934	001	Health Care Billing Clerk II	1636 N	0.75	0.00	36,018	0	36,018
		Disapprove new position on basis that an existing vacant 1636 position in HCN can be reallocated to staff this function. Attrition savings are decreased accordingly below.						

artment: HCN - Community Health Network

e	Object	Account Title	Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
5	001	Medical Records Technician	2112 N	0.75	0.00	$ 36,194	$0	$ 36,194
		Disapprove new position on basis that an existing vacant 2112 position in HCN can be reallocated to staff this function. Attrition savings are decreased accordingly below.						
6	001	Nursing Assistant	2302 N	10.70	9.81	506,596	464,458	42,138
		Adjust salary for 10.70 FTE to reflect projected hire date of 08/01/00.						
7	001	Occupational Therapist	2548 N	0.75	0.00	52,068	0	52,068
		Disapprove new position on basis that an existing vacant 2548 position in HCN can be reallocated to staff this function. Attrition savings are decreased accordingly below.						
7	001	Clinical Psychologist	2574 N	0.75	0.00	54,536	0	54,536
		Disapprove new position on basis that an existing vacant 2574 position in HCN can be reallocated to staff this function. Attrition savings are decreased accordingly below.						

Department: HCN - Community Health Network

Page No.	Object	Account Title	Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Amount Savings
1939	001	Attrition Savings - Misc.	9993M	(73.74)	(71.07)	$ (3,564,629)	$ (3,435,589)	$ (129,040)

The sum of the following increases and decreases which sum to a total reduction in Attrition Savings - Misc. of $129,040.

1. Increase attrition savings by $38,718 to offset the effect of HCN's upward substitution of (1) a 1630 Account Clerk position for a 1632 Senior Account Clerk position, (2) a 1652 Senior Accountant position for a1654 Principal Accountant position , (3) a 1424 Clerk Typist positon for a 1446 Secretary II position, (4) a 1450 Executive Secretary I position for a 1452 Executive Secretary II position, and (5) a 2548 Occupational Therapist position for a 2550 Senior Occupational Therapist position. These upward substitutions would result in increased salary and fringe benefits costs made during the past year, without budgetary approval by the Board of Supervisors. This recommendation will enable the Department to continue to maintain the existing filled positions at the higher salary and fringe benefit costs, but will not result in additional expenditure for the Department because an offsetting amount will be eliminated from the budget by this increase in attrition savings.

2. Reduce attrition savings by $167,758 to permit staffing of (1) an existing vacant 1636 position @ 0.75 FTE ($36,018) to reflect projected hire date of 10/01/00, (2) an existing vacant 2112 position @ 0.75 FTE ($36,194) to reflect projected hire date of 10/01/00, (3) an existing vacant 2548 position @ 0.75 FTE ($50,680 @ Step 5) to reflect projected hire date of 10/01/00, and (4) an existing vacant 2574 position @ 0.75 FTE ($44,866 @ Step 1) to reflect projected hire date of 10/01/00. The funding for the 2574 position should be reduced from Step 5, as recommended by the Department, to Step 1 on the basis of advice received from the Manager of DPH's Human Resources Services that job class 2574 "usually attract[s] large numbers of applicants as there is no lack of clinical psychologists."

artment: HCN - Community Health Network

ge	Object	Account Title	Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
37	004	Permanent Salaries - Nurses				$ 18,228,318	$ 18,184,276	*
		* The recommended reduction in Permanent Salaries - Nurses is the total of the following specific recommendations regarding individual classifications.						
40	004	Attrition Savings - Nurses	9993M	(15.67)	(16.32)	(1,058,637)	(1,102,679)	44,042
		Increase Attrition Savings - Nurses by $44,042 to offset the effect of HCN's upward substitution of (1) a 2320 Registered Nurse position for a 2322 Head Nurse position, and (2) a 2320 Registered Nurse position for a 2322 Head Nurse position. These upward substitutions would result in increased salary and fringe benefits costs made during the past year, without budgetary approval by the Board of Supervisors. This recommendation will enable the Department to continue to maintain the existing filled positions at the higher salary and fringe benefit costs, but will not result in additional expenditure for the Department because an offsetting amount will be eliminated from the budget by this increase in attrition savings.					
37	013	Mandatory Fringe Benefits				21,311,824	21,276,475	35,349
		Corresponds to reduction in salaries.						

Department: HCN - Community Health Network

Page No.	Object	Account Title	Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
Primary Care - Ambulatory Care - Health Centers (DHP)								
1893	001	Permanent Salaries - Misc.				$ 12,686,205	$ 12,600,659	*
		* The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.						
1947	001	Attrition Savings - Misc.	9993M	(17.71)	(18.57)	(947,136)	(1,032,682)	85,54
		Increase Attrition Savings - Misc. by $85,546 to offset the effect of HCN's upward substitution of (1) six 2110 Medical Records Clerk positions for six 2112 Medical Records Technician positions, (2) a 1630 Account Clerk position for a 2903 Eligibility Worker position, (3) a 2430 Medical Evaluation Assistant position for a 2587 Health Worker III position, (4) a 1070 Project Director position for a 1071 Information Systems Manager, (5) a 1920 Inventory Clerk position for a 1934 Storekeeper position, and (6) a 2233 Supervising Physician Specialist position for a 2235 Medical Director position These substitutions would result in increased salary and fringe benefits costs made during the past year, without budgetary approval by the Board of Supervisors. This recommendation will enable the Department to continue to maintain the existing filled positions at the higher salary and fringe benefit costs, but will not result in additional expenditure for the Department because an offsetting amount will be eliminated from the budget by this increase in attrition savings					
1893	013	Mandatory Fringe Benefits				5,014,941	4,992,699	22,24
		Corresponds to reduction in salaries.						

Department: HCN - Community Health Network

Page No.	Object	Account Title	Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
Children's Baseline (FAL)								
03	001	Permanent Salaries - Misc. * The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.				$ 1,877,756	$ 1,852,452	*
59	001	Attrition Savings - Misc. Increase Attrition Savings - Misc. by $25,304 to offset the effect of HCN's upward substitution of (1) a 9924 Public Service Aide position for a 2110 Medical Records Clerk position, and (2) a 9924 Public Service Aide position for a 2586 Health Worker II position. These substitutions would result in increased salary and fringe benefits costs made during the past year, without budgetary approval by the Board of Supervisors. This recommendation will enable the Department to continue to maintain the existing filled positions at the higher salary and fringe benefit costs, but will not result in additional expenditure for the Department because an offsetting amount will be eliminated from the budget by this increase in attrition savings.	9993M	(2.97)	(3.39)	(180,009)	(205,313)	25,304
03	013	Mandatory Fringe Benefits Corresponds to reduction in salaries.				779,914	773,335	6,579
		Total Recommended Reductions						$ 559,706

RECOMMENDATIONS OF THE BUDGET ANALYST FOR
AMENDMENT OF BUDGET ITEMS
2000-01

DEPARTMENT: HPH PUBLIC HEALTH

FINANCIAL DATA:

The Department of Public Health's proposed $334,676,871 budget for FY 2000-01 is $12,950,353 or 4.03 percent more than the original FY 1999-00 budget of $321,726,518. The net increase from the revised FY 1999-00 budget is $9,795,617 or 3.02 percent.

Department: HPH PUBLIC HEALTH (continued)

SUMMARY OF PROGRAM EXPENDITURES:

Program Expenditures	Fiscal Year 1999-2000 Original	Fiscal Year 1999-2000 Revised	Mayor's Budget Fiscal Year 2000-2001	Proposed Increase (Decrease) From 1999-2000 Original Budget
CHF-Administration	$ -	$ -	$ -	$ -
CHF-Mental Health	324,468	324,468	335,581	11,113
Mental Health - Emergency Care	987,964	987,964	996,925	8,961
Central Administration	114,949,626	115,061,977	115,629,107	679,481
Community Hlth - Administration	9,203,234	9,223,567	10,366,511	1,163,277
Mental Health - Early Intervention	156,156	156,156	155,833	(323)
Substance Abuse - Early Intervention	1,900,390	1,900,390	1,938,356	37,966
Mental Health - Long Term Care	12,913,430	12,913,430	13,190,113	276,683
Mental Health - Community Care	85,820,797	86,315,586	88,097,895	2,277,098
Substance Abuse - Community Care	44,655,765	44,800,783	43,333,535	(1,322,230)
Community Health Prev - BEHM	11,243,718	11,947,849	10,069,553	(1,174,165)
Community Health - Disease Control/AIE	76,828,126	77,293,859	77,421,320	593,194
Community Health - Prevention EMSA	1,624,520	2,103,864	1,553,449	(71,071)
Community Health - Health Education	2,079,278	1,941,172	4,316,237	2,236,959
Community Health - Maternal & Child Hl	11,580,297	10,835,480	11,584,990	4,693
Community Health - OSH	1,127,160	1,210,462	1,360,596	233,436
Mental Health - Acute Care	5,300,395	5,300,395	5,644,258	343,863
Substance Abuse - Acute Care	2,551,620	2,551,620	2,602,597	50,977
Comm Hlth - Comm Support - EAP	443,029	498,527	407,306	(35,723)
Mental Health - Community Support	2,658,718	2,658,718	2,646,240	(12,478)
Comm Hlth - Comm Support - Housing	3,494,412	4,173,694	4,996,946	1,502,534
Substance Abuse - Community Support	1,342,675	1,342,675	1,369,499	26,824
Substance Abuse	1,198,978	1,198,978	1,222,931	23,953
Children's Baseline	20,158,736	20,659,461	23,357,987	3,199,251
Mental Health - Children's Program	7,327,684	7,624,837	10,203,764	2,876,080
Total Operating Expenditures	$ 419,871,176	$ 423,025,912	$ 432,801,529	$ 12,930,353
Capital Improvements & Fac. Maint.	80,000	80,000	100,000	20,000
Total Expenditures	$ 419,951,176	$ 423,105,912	$ 432,901,529	$ 12,950,353
Less Transfer Adjustment	(98,224,658)	(98,224,658)	(98,224,658)	-
Subtotal	$ 321,726,518	$ 324,881,254	$ 334,676,871	$ 12,950,353
Less Work Order Recoveries	(9,428,468)	(12,176,084)	(12,561,795)	(3,133,327)
Net Expenditures	$ 312,298,050	$ 312,705,170	$ 322,115,076	$ 9,817,026

Department: **HPH PUBLIC HEALTH (continued)**

DEPARTMENT PERSONNEL SUMMARY:

The number of full-time equivalent positions budgeted for FY 2000-01 is 1,274.00 FTEs, which is 19.35 FTEs less than the 1,293.35 FTEs in the original FY 1999-00 budget. The FTE allocations by program are as follows:

Full Time Equivalents	Fiscal Year 1999-2000 Original	Fiscal Year 1999-2000 Revised	Mayor's Budget Fiscal Year 2000-2001	Proposed Increase (Decrease) From 1999-2000 Original Budget
Central Administration	82.46	82.58	85.07	2.61
CHF-Mental Health	4.50	4.50	4.50	-
Children's Baseline	112.34	112.34	117.63	5.29
Community Hlth - Administration	66.71	66.71	78.04	11.33
Comm Hlth - Comm Support - Housing	2.97	2.97	2.97	-
Comm Hlth - Comm Support - EAP	5.51	5.51	5.01	(0.50)
Community Health - Prevention EMSA	11.82	11.82	11.12	(0.70)
Community Health - OSH	11.61	11.61	13.34	1.73
Community Health Prev - BEHM	109.37	109.37	96.37	(13.00)
Community Health - Disease Control/AIDS	327.14	332.12	288.05	(39.09)
Community Health - Health Education	14.14	14.14	28.97	14.83
Community Health - Maternal & Child Hlth	139.25	137.98	138.81	(0.44)
Mental Health - Children's Program	-	(0.28)	8.00	8.00
Mental Health - Community Care	346.70	346.70	334.13	(12.57)
Mental Health - Emergency Care	12.54	12.54	12.55	0.01
Mental Health - Long Term Care	17.29	17.29	17.33	0.04
Substance Abuse - Community Care	29.00	29.00	32.11	3.11
Total	1,293.35	1,296.90	1,274.00	(19.35)

DEPARTMENT REVENUES

Department revenue for Public Health budgeted for FY 2000-01 is $327,873,143, which is $130,534,908 less than the department revenue of $458,408,051 in the FY 1999-00 original budget.

General Fund support for Public Health budgeted for FY 2000-01 is $92,466,591, which is $3,792,409 more than the General Fund support of $88,674,182 in the FY 1999-00 original budget.

Department: **HPH PUBLIC HEALTH (continued)**

Major revenue changes in Public Health between FY 1999-00 and FY 2000-01 include: (a) increased Medi-Cal revenues for Community Mental Health Services, (b) increased State realignment and SB90 revenues for Community Mental Health Services, and (c) decreased grant revenues, particularly Federal grant funds for HIV/AIDS services.

DESCRIPTION

The increase in Public Health (HPH) total expenditures from the FY 1999-00 original budget is $12,950,353. Major expenditure changes in the proposed budget, as compared to the original FY 1999-00 budget, are summarized below:

- $1.7 million additional funding for salaries and mandatory fringe benefits due to (a) the higher cost of the 46.48 FTE new positions being proposed in the FY 2000-01 budget than the 65.83 FTE positions being eliminated, (b) increased salary savings resulting in a reduction in some salary funds, (c) work order adjustments due to a changed mix of positions, (d) conversion of former grant-funded positions to General Fund positions, and (e) personnel transfers from the Community Health Network.

- $12.9 million additional funding for professional and specialized services due to (a) new initiatives, (b) cost of living adjustments for contractors' employees, and (c) new grant and work order funding.

- $1.8 million reduction in funding for overhead costs, training, building rents and leases, equipment purchases, other current expenses, and services provided by other departments.

The proposed budget includes a net decrease of 19.35 full-time equivalent (FTE) positions over the FY 1999-00 original budget. In the FY 2000-01 proposed budget, Public Health has eliminated 65.83 FTE positions and added 46.48 FTE new positions. The 46.48 FTE new positions are as follows:

- 20.99 FTE new positions which were formerly grant-funded. These 20.99 FTE new positions represent 23.34 FTE positions on an annualized basis at a maximum annual salary cost of $1,402,109 (exclusive of mandatory fringe benefits).

- 3.15 FTE new positions for new work orders with the Department of Emergency Services (0.60 FTE), the Police Department (0.75 FTE), the Department of Juvenile Probation (1.50 FTEs), and the Water Department (0.30 FTE). These 3.15 FTE new positions represent 3.40 FTE positions on an annualized basis at a maximum annual salary cost of $228,552 (exclusive of mandatory fringe benefits).

Department: **HPH PUBLIC HEALTH (continued)**

- 1.50 FTE new positions to expand family planning services to male Sexually Transmitted Disease Clinic clients. These 1.50 FTE new positions represent 2.00 FTE positions on an annualized basis at a maximum annual salary cost of $81,692 (exclusive of mandatory fringe benefits).

- 0.75 FTE new position to improve the billing and accounts receivable function of Public Health Laboratory Services. This 0.75 FTE new position represents a 1.00 FTE position on an annualized basis at a maximum annual salary cost of $44,694 (exclusive of mandatory fringe benefits).

- 1.50 FTE new positions to enhance the Tuberculosis Control Program. These 1.50 FTE new positions represent 2.00 FTE positions on an annualized basis at a maximum annual salary cost of $133,744 (exclusive of mandatory fringe benefits).

- 1.50 FTE new positions to increase staffing of the Adult Immunization Clinic. These 1.50 FTE new positions represent 1.50 FTE positions on an annualized basis at a maximum annual salary cost of $66,866 (exclusive of mandatory fringe benefits).

- 3.50 FTE new positions to provide specialized medical care and rehabilitation to indigent physically handicapped children under the California Children Services Program. These 3.50 FTE new positions represent 4.00 FTE positions on an annualized basis at a maximum annual salary cost of $289,016 (exclusive of mandatory fringe benefits).

- 8.00 FTE new positions to expand mental health services for children, youth, and their families. These 8.00 FTE new positions represent 10.50 FTE positions on an annualized basis at a maximum annual salary cost of $676,403 (exclusive of mandatory fringe benefits).

- 2.25 FTE new positions to enhance the revenue-generating capability of the Community Mental Health Services Pharmacy. These 2.25 FTE new positions represent 3.00 FTE positions on an annualized basis at a maximum annual salary cost of $171,990 (exclusive of mandatory fringe benefits).

- 0.50 FTE new position to implement the Medical Marijuana ID card ordinance. This 0.50 FTE new position represents a 0.50 FTE position on an annualized basis at a maximum annual salary cost of $20,644 (exclusive of mandatory fringe benefits).

- 2.84 FTE new positions funded by the Tobacco Settlement. These 2.84 FTE new positions represent 3.84 FTE positions on an annualized basis at a maximum annual salary cost of $224,899 (exclusive of mandatory fringe benefits).

Department: HPH PUBLIC HEALTH (continued)

Public Health's proposed FY 2000-01 budget also contains approximately 102 position substitutions which result in a net decrease in expenditures of $800,377 for FY 2000-01.

COMMENT

The Mayor's budget provides an increase of $12,950,353. Our recommended reductions, which total $817,955, would still allow an increase of $12,132,398 or approximately 3.77 percent in the Department's budget.

Department: HPH - Public Health

Page No.	Object	Account Title	Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
Central Administration (DHA)								
2025	001	Permanent Salaries - Misc.				$ 2,738,272	$ 2,716,693	*
		* The recommended reduction in Permanent Salaries - Misc is the total of the following specific recommendations regarding individual classifications.						
2135	001	Attrition Savings - Misc.	9993M	(1.13)	(1.45)	(76,332)	(97,911)	$ 21,579
		Increase by $21,579 to offset the effect of HPH's upward substitution of (1) a 1043 Senior Engineer position for a 1044 Principal Engineer position, (2) a 1063 Senior Programmer Analyst position for a 1064 Principal Programmer Analyst position , and (3) a 1426 Senior Clerk Typist position for a 1446 Secretary II position. These upward substitutions would result in increased salary and fringe benefits costs made during the past year, without budgetary approval by the Board of Supervisors. This recommendation will enable the Department to continue to maintain the existing filled positions at the higher salary and fringe benefit costs, but will not result in additional expenditure for the Department because an offsetting amount will be eliminated from the budget by this increase in attrition savings.						
2025	013	Mandatory Fringe Benefits				661.321	655,710	5,611
		Corresponds to reduction in salaries.						

artment: HPH - Public Health

e	Object	Account Title	Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
munity Health - Administration (DHC)								
0	001	Permanent Salaries - Misc.				$4,013,841	$3,935,108	*
		* The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.						
0	001	Attrition Savings - Misc.	9993M	(6.20)	(7.58)	(354,255)	(432,988)	$ 78,733
		Increase by $78,733 to offset the effect of HPH's upward substitution of (1) a 6108 Environmental Health Technician position for a 1370 Special Assistant XI position, (2) a 2586 Health Worker II position for a 1426 Senior Clerk Typist and two Porter positions , and (3) a 1820 Junior Administrative Analyst position, a 2803 Epidemiologist II position, and a 2846 Nutritionist position for a 1630 Account Clerk position. These upward substitutions would result in increased salary and fringe benefits costs made during the past year, without budgetary approval by the Board of Supervisors. This recommendation will enable the Department to continue to maintain the existing filled positions at the higher salary and fringe benefit costs, but will not result in additional expenditure for the Department because an offsetting amount will be eliminated from the budget by this increase in attrition savings.						
	013	Mandatory Fringe Benefits				1,005,384	984,913	20,471
		Corresponds to reduction in salaries.						

Department: HPH - Public Health

Page No.	Object	Account Title	Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
Mental Health - Long Term Care (DLT)								
2038	001	Permanent Salaries - Misc.				$ 949,389	$ 892,695	*
		* The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.						
2142	001	Attrition Savings - Misc.	9993M	(0.67)	(1.64)	(38,978)	(95,672)	$ 56,694
		Increase by $56,694 to offset the effect of HPH's upward substitution of (1) a 2230 Physician Specialist position for a 2232 Senior Physician Specialist position, and (2) four Public Service Aides positions for four Health Worker I positions. These upward substitutions would result in increased salary and fringe benefits costs made during the past year, without budgetary approval by the Board of Supervisors. This recommendation will enable the Department to continue to maintain the existing filled positions at the higher salary and fringe benefit costs, but will not result in additional expenditure for the Department because an offsetting amount will be eliminated from the budget by this increase in attrition savings.						
2038	013	Mandatory Fringe Benefits				239,416	224,676	14,740
		Corresponds to reduction in salaries.						

artment: HPH - Public Health

ge	Object	Account Title	Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
ital Health - Community Care (DMM)								
9	001	Permanent Salaries - Misc. * The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.				$18,437,137	$18,203,534	*
3	001	Clerk Typist	1424 N	0.75	0.00	25,898	0	$ 25,898
5	001	Senior Administrative Analyst The Department has not adequately justified the conversion to new permanent City positions of these positions under the Bayview Hunters Point Foundation (Clerk Typist) and Instituto Familiar de la Raza (Senior Administrative Analyst) contracts.	1823 N	0.75	0.00	47,000	0	47,000
8	001	Mental Health Clinician The Department has not adequately justified the establishment of this new permanent City position under the Department's agreement with Asian-American Recovery Services.	2930 N	0.60	0.00	37,694	0	37,694
3	001	Senior Mental Health Clinician The conversion of this SAMHSA grant-funded position to a new permanent City position, in order to maintain the current level of service, is a policy matter for the Board of Supervisors.	2932 N	0.50	0.00	32,808	32,808*	

Department: HPH - Public Health

Page No.	Object	Account Title	Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
2148	001	Attrition Savings - Misc.	9993M	(27.49)	(29.45)	$ (1,726,839)	(1,849,850)	$ 123,011
		Increase by $123,011 to offset the effect of HPH's upward substitution of (1) two 2930 Mental Health Clinician positions for two 2246 Assistant Director Clinician positions, (2) a 1372 Special Assistant XIII position for a 2246 Assistant Director Clinician position , (3) a 2819 Assistant Health Educator position for a 2574 Clinical Psychologist position, (4) a 2588 Health Worker IV position for a 2930 Mental Health Clinician position, (5) a 2910 Social Worker position for a 2246 Assistant Director Clinician position, (6) a 2880 Director of Business and Operations, Mental Health, position for a 1377 Special Assistant XVIII position, (7) a 2588 Health Worker IV position for a 2591 Health Program Coordinator position, (8) an 1820 Junior Administrative Analyst position for a 1842 Management Assistant position, and (9) a 1635 Health Care Billing Clerk I position for a 1636 Health Care Billing Clerk II position. These upward substitutions would result in increased salary and fringe benefits costs made during the past year, without budgetary approval by the Board of Supervisors. This recommendation will enable the Department to continue to maintain the existing filled positions at the higher salary and fringe benefit costs, but will not result in additional expenditure for the Department because an offsetting amount will be eliminated from the budget by this increase in attrition savings.						
2039	013	Mandatory Fringe Benefits				4,513,280	4,452,543	60,737
		Corresponds to reduction in salaries.						

partment: HPH - Public Health

ge o.	Object	Account Title	Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
39	027	Professional and Specialized Services				49,244,511	49,383,857	$ (139,346)
		Return (1) 32,632 (inclusive of mandatory fringe benefits) to the Bayview Hunters Point Foundation contract and (2) $59,220 (inclusive of mandatory fringe benefits) to the Instituto Familiar de la Raza, Inc. contract due to inadequate Departmental justification for converting these two contract positions to new permanent City positions. Return $47,494 (inclusive of mandatory fringe benefits) to the Asian-American Recovery Services contract due to inadequate Departmental justification for establishing a new permanent City position under this contract.					
bstance Abuse - Community Care (DMS)								
46	001	Permanent Salaries - Misc.				1,660,575	1,464,865	*
		* The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.						
53	001	Executive Secretary II	1452 N	0.75	0.00	40,786	0	40,786
53	001	Senior Administrative Analyst	1823 N	0.75	0.00	51,827	0	51,827
53	001	Health Program Coordinator II	2591 N	1.50	0.00	88,752	0	88,752
		The Department has not adequately justified the conversion of these positions under the Haight Ashbury Free Clinic contract to new permanent City positions.						

Department: HPH - Public Health

Page No.	Object	Account Title	Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
2154	001	Attrition Savings - Misc.	9993M	(3.21)	(3.44)	$ (199,474)	$ (213,819)	$ 14,345
		Increase by $14,345 to offset the effect of HPH's upward substitution of (1) a 1426 Senior Clerk Typist position for a 1446 Secretary II position, and (2) a 1822 Administrative Analyst position for a 1823 Senior Administrative Analyst position. These upward substitutions would result in increased salary and fringe benefits costs made during the past year, without budgetary approval by the Board of Supervisors. This recommendation will enable the Department to continue to maintain the existing filled positions at the higher salary and fringe benefit costs, but will not result in additional expenditure for the Department because an offsetting amount will be eliminated from the budget by this increase in attrition savings.					
2046	013	Mandatory Fringe Benefits				395,885	345,000	50,885
		Corresponds to reduction in salaries.						
2046	027	Professional and Specialized Services				36,017,105	36,245,625	(228,520)
		Return $228,520 (inclusive of mandatory fringe benefits) to the Haight Ashbury Free Clinic contract due to inadequate justification for converting four contractual positions to four new permanent City positions.						

artment: HPH - Public Health

e	Object	Account Title	Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
munity Health - Disease Control/AIDS (DPD)								
8	001	Permanent Salaries - Misc. * The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.				$5,317,221	$5,303,909	*
4	001	Health Worker II Adjust salary for 0.50 FTE to reflect projected hire date of 01/01/01.	2586 N	0.50	0.25	20,723	10,362	$ 10,361
5	001	Attrition Savings - Misc. Increase Attrition Savings - Misc. by $2,951 to offset the effect of HPH's upward substitution of (1) two 2586 Health Worker II positions for a 1424 Clerk Typist position and a 2588 Health Worker IV position, and (2) a 2593 Health Program Coordinator position for a 2591 Health Program Coordinator II position and a 2320 Registered Nurse position. These upward substitutions would result in increased salary and fringe benefits costs made during the past year, without budgetary approval by the Board of Supervisors. This recommendation will enable the Department to continue to maintain the existing filled positions at the higher salary and fringe benefit costs, but will not result in additional expenditure for the Department because an offsetting amount will be eliminated from the budget by this increase in attrition savings.	9993M	(14.12)	(14.18)	(739,566)	(742,517)	2,951
9	013	Mandatory Fringe Benefits Corresponds to reduction in salaries.				1,490,558	1,487,097	3,461

Department: HPH - Public Health

Page No.	Object	Account Title	Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
Community Health - EMSA (DPE)								
2091	001	Permanent Salaries - Misc.				$ 669,685	$ 660,809	*
		* The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.						
2197	001	Attrition Savings - Misc.	9993M	(0.31)	(0.44)	(21,853)	(30,729)	$ 8,876
		Increase by $8,876 to offset the effect of HPH's upward substitution of an 1807 Management Information System Analyst position for a 1002 Operator-Journey position. This upward substitution would result in increased salary and fringe benefits costs made during the past year, without budgetary approval by the Board of Supervisors. This recommendation will enable the Department to continue to maintain the existing filled position at the higher salary and fringe benefit costs, but will not result in additional expenditure for the Department because an offsetting amount will be eliminated from the budget by this increase in attrition savings.						
2091	013	Mandatory Fringe Benefits				152,877	150,569	2,308
		Corresponds to reduction in salaries.						

Department: HPH - Public Health

Page No.	Object	Account Title	Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
Community Health - Health Education (DPH)								
99	001	Permanent Salaries - Misc.				$ 177,384	$ 159,217	*
		* The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.						
03	001	Senior Clerk Typist	1426 N	0.50	0.00	20,828	0	$ 20,828
03	001	Health Program Coordinator II	2591 N	0.50	0.00	31,025	0	31,025
03	001	Health Educator	2822 N	1.00	0.00	64,222	0	64,222
		Disapprove new positions on basis that existing vacant 1426, 2591, and 2822 positions in HPH can be reallocated to DPH to staff this function. Attrition savings are decreased accordingly below.						

RECOMMENDATIONS OF THE BUDGET ANALYST FOR
AMENDMENT OF BUDGET ITEMS
2000-01

Department: HPH - Public Health

Page No.	Object	Account Title	Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
2200	001	Attrition Savings - Misc.	9993M	(1.34)	0.32	$ (78,908)	$ 19,000	$ (97,908)
		Reduce Attrition Savings - Misc. by $97,908 to permit staffing of (1) an existing 1426 Senior Clerk Typist position @ 0.50 FTE ($20,828), (2) an existing 2591 Health Program Coordinator II position @ 0.50 FTE ($30,198), and (3) an existing 2822 Health Educator position @ 0.75 FTE ($46,882) to reflect projected hire date of 10/01/00.						
2096	013	Mandatory Fringe Benefits				183,215	178,492	4,723
		Corresponds to reduction in salaries.						
2099	081	Services of Other Depts				184,440	168,343	16,097
		Reduce to reflect lower Department of Consumer Assurance workorder costs due to projected hire date of 10/01/00 for a new 1424 Clerk Typist position and a new 6218 Inspector of Weights and Measures position.						

RECOMMENDATIONS OF THE BUDGET ANALYST FOR
AMENDMENT OF BUDGET ITEMS
2000-01

artment: HPH - Public Health

ge	Object	Account Title	Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
mmunity Health - Maternal and Child Health (DPM)								
2	001	Permanent Salaries - Misc.				$ 2,151,572	$ 2,046,738	*
		* The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.						
5	001	Dental Hygienist	2204 N	0.50	0.25	32,495	16,248	$ 16,248
5	001	Audiologist	2540 N	0.50	0.25	38,466	19,233	19,233
6	001	Nutritionist	2846 N	0.50	0.25	32,111	16,056	16,056
6	001	Program Specialist	2913 N	0.50	0.25	28,762	14,381	14,381
		Adjust salary for 2.00 FTEs to reflect projected hire date of 01/01/01.						

Department: HPH - Public Health

Page No.	Object	Account Title	Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
2207	001	Attrition Savings - Misc.	9993M	(1.53)	(2.19)	$ (90,488)	$ (129,404)	$ 38,916
		Increase by $38,916 to offset the effect of HCN's upward substitution of (1) a 2903 Eligibility Worker position and a 2905 Senior Eligibility Worker position for two Hospital Eligibility Worker positions, (2) two Public Service Aide positions for a 1402 Junior Clerk position and a 1426 Senior Clerk Typist position , (3) a 1372 Special Assistant XIII position for a 1373 Special Assistant XIV position, and (4) a 1635 Health Care Billing Clerk I position for a 1636 Health Care Billing Clerk II position. These upward substitutions would result in increased salary and fringe benefits costs made during the past year, without budgetary approval by the Board of Supervisors. This recommendation will enable the Department to continue to maintain the existing filled positions at the higher salary and fringe benefit costs, but will not result in additional expenditure for the Department because an offsetting amount will be eliminated from the budget by this increase in attrition savings.						
2102	013	Mandatory Fringe Benefits				736,981	709,724	27,257
		Corresponds to reduction in salaries.						
Community Health - OSH (DPO)								
2115	001	Permanent Salaries - Misc.				265,508	242,302	*
		* The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.						
2221	001	Safety Officer	5177 N	0.60	0.35	53,689	30,483	23,206
		Adjust salary for 0.60 FTE to reflect projected hire date of 11/20/00.						

artment: HPH - Public Health

e	Object	Account Title	Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
5	013	Mandatory Fringe Benefits				$ 159,779	$ 153,745	$ 6,034
		Corresponds to reduction in salaries.						
		munity Health - Community Support - EAP (DSE)						
9	001	Permanent Salaries - Misc.				251,986	231,165	*
		* The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.						
2	001	Attrition Savings - Misc.	9993M	(0.24)	(0.63)	(12,788)	(33,609)	20,821

Increase by $20,821 to offset the effect of HCN's upward substitution of a 2595 Senior Employee Assistance Counsellor position and two 2594 Employee Assistance Counsellors for a 2931 Marriage, Family and Child Counsellor position. This upward substitution would result in increased salary and fringe benefits costs made during the past year, without budgetary approval by the Board of Supervisors. This recommendation will enable the Department to continue to maintain the existing filled position at the higher salary and fringe benefit costs, but will not result in additional expenditure for the Department because an offsetting amount will be eliminated from the budget by this increase in attrition savings.

Department: HPH - Public Health

Page No.	Object	Account Title	Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
2119	013	Mandatory Fringe Benefits				$ 64,798	$ 59,385	$ 5,413
		Corresponds to reduction in salaries.						
Children's Baseline (FAL)								
2126	001	Permanent Salaries - Misc.				6,391,027	6,277,089	*
		* The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.						
2225	001	Senior Accountant	1652 N	0.75	0.00	32,621	0	32,621
		The Department has not adequately justified the conversion of this position under the Bayview Hunters Point Foundation contract to a new permanent City position.						

artment: HPH - Public Health

Object	Account Title	Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
001	Attrition Savings - Misc.	9993M	(10.09)	(11.48)	$ (590,988)	$ (672,305)	$ 81,317

Increase by $81,317 to offset the effect of HCN's upward substitution of (1) a 1404 Clerk position for a 1424 Clerk Typist position, (2) two 2903 Eligibility Workers for two 2908 Hospital Eligibility Workers, (3) a 1639 Account Clerk position for a 1632 Senior Account Clerk position, (4) a 2574 Clinical Psychologist position for a 2246 Assistant Director Clinician position, (5) a 2930 Mental Health Clinician position for a 2248 Assistant Director Clinician position, (6) a 2593 Health Program Coordinator position for a 2930 Mental Health Clinician position, (7) two Clinical Psychologist positions for two Research Psychologist positions, and (8) a 2587 Health Worker III position for a 2932 Senior Mental Health Clinician position. These upward substitutions would result in increased salary and fringe benefits costs made during the past year, without budgetary approval by the Board of Supervisors. This recommendation will enable the Department to continue to maintain the existing filled positions at the higher salary and fringe benefit costs, but will not result in additional expenditure for the Department because an offsetting amount will be eliminated from the budget by this increase in attrition savings.

013	Mandatory Fringe Benefits				1,659,914	1,630,290	29,624

Corresponds to reduction in salaries.

027	Professional and Specialized Services				9,186,617	9,227,719	(41,102)

Return $41,102 (inclusive of mandatory fringe benefits) to the Bayview Hunters Point Foundation contract due to inadequate Departmental justification for establishing a new permanent City position under this contract.

Department: HPH - Public Health

Page No.	Object	Account Title	Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
Mental Health - Children's Program (FAM)								
2128	001	Permanent Salaries - Misc. * The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.				$ 519,471	$ 447,972	*
2229	001	Mental Health Clinician Reduce funding for this position from Step 5 to Step 1. According to the Manager of DPH's Human Resources Services, job class 2930 "usually attract[s] large numbers of applicants as there is no lack of ... psychiatric social workers" (which is the correct description for job class 2930).	2930 N	3.75	3.75	235,585	193,793	$ 41,792
2229	001	Mental Health Clinician Adjust salary for 2.00 FTE to reflect projected hire date of 10/01/00. Reduce funding for these positions from Step 5 to Step 1. According to the Manager of DPH's Human Resources Services, job class 2930 "usually attract[s] large numbers of applicants as there is no lack of ... psychiatric social workers" (which is the correct description for job class 2930).	2930 N	2.00	1.88	125,645	101,522	24,123

rtment: HPH - Public Health

Object	Account Title	Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
001	Attrition Savings - Misc.	9993M	0.00	0.00	$0	$ (5,584)	$ 5,584
	Increase by $5,584 to offset the effect of HCN's upward substitution of two 2930 Mental Health Clinician positions for two 2932 Senior Mental Health Clinician positions. These upward substitutions would result in increased salary and fringe benefits costs made during the past year, without budgetary approval by the Board of Supervisors. This recommendation will enable the Department to continue to maintain the existing filled positions at the higher salary and fringe benefit costs, but will not result in additional expenditure for the Department because an offsetting amount will be eliminated from the budget by this increase in attrition savings.						
013	Mandatory Fringe Benefits				120,421	101,831	18,590
	Corresponds to reduction in salaries.						
027	Professional and Specialized Services				8,409,977	8,409,97 *	
	Reserve $1,339,520, pending selection of service contractors and submission of cost details to the Board of Supervisors, for proposed contracts to provide one-on-one therapeutic mental health services for children to prevent hospitalization or to decrease the level of care provided.						
	Total Recommended Reductions						$ 817,955

[Budget Analyst Report]
Susan Hom
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City and County of San Francisco

Meeting Agenda

Finance and Labor Committee

Members: Supervisors Leland Yee, Sue Bierman, Tom Ammiano

Clerk: Mary Red

Wednesday, June 21, 2000 **1:00 PM** **City Hall, Room 263**

Departmental Budget Hearings

Note: Each item on the Consent or Regular agenda may include the following documents:
1) Legislation
2) Budget Analyst report
3) Legislative Analyst report
4) Department or Agency cover letter and/or report
5) Public correspondence
These items will be available for review at City Hall, Room 244, Reception Desk.

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AGENDA CHANGES

REGULAR AGENDA

1. 000983 **[Budget Hearing and Review, FY 2000-2001]**
Hearing to consider the Annual Budget for Human Welfare and Neighborhood Development; Community Health.

(Human Welfare and Neighborhood Development: Adult and Aging Services; Children and Families Commission; Children, Youth & Families; Department of Child Support Services; Human Services; Environment; Human Rights Commission; Rent Arbitration Board; Commission on the Status of Women.)

(Community Health: Community Health Network; Public Health; companion to File 000979.)

6/1/00, RECEIVED AND ASSIGNED. Scheduled for consideration on June 21, 2000.

ADJOURNMENT

IMPORTANT INFORMATION

NOTE: Persons unable to attend the meeting may submit to the City, by the time the proceedings begin, written comments regarding the agenda items above. These comments will be made a part of the official public record and shall be brought to the attention of the Board of Supervisors. Any written comments should be sent to: Committee Clerk of the Finance and Labor Committee, San Francisco Board of Supervisors, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco, CA 94102 by 5:00 p.m. on the day prior to the hearing. Comments which cannot be delivered to the committee clerk by that time may be taken directly to the hearing at the location above.

LEGISLATION UNDER THE 30-DAY RULE

(Not to be considered at this meeting)

Rule 5.42 provides that when an ordinance or resolution is introduced which would CREATE OR REVISE MAJOR CITY POLICY, the committee to which the legislation is assigned shall not consider the legislation until at least thirty days after the date of introduction. The provisions of this rule shall not apply to the routine operations of the departments of the City or when a legal time limit controls the hearing timing. In general, the rule shall not apply to hearings to consider subject matter when no legislation has been presented, nor shall the rule apply to resolutions which simply URGE action to be taken.

There are no items now pending under the 30-day Rule.

Meeting Procedures

The Board of Supervisors is the Legislative Body of the City and County of San Francisco. The Board has several standing Committees where ordinances and resolutions are the subject of hearings at which members of the public are urged to testify. The full Board does not hold a second public hearing on measures which have been heard in committee.

Board procedures do not permit persons in the audience at a Committee meeting to vocally express support or opposition to statements by Supervisors or by other persons testifying. Thus applause and booing are both contrary to Board requirements. The Board does not permit signs to be brought into the meeting or displayed in the room.

Citizens are encouraged to testify at Committee meetings and to write letters to the Clerk of a Committee or to its members, City Hall, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco, CA 94102.

Agenda are available on the internet at www.ci.sf.ca.us/bdsupvrs.bos.htm.

THE AGENDA PACKET IS AVAILABLE FOR REVIEW AT CITY HALL, ROOM 244, RECEPTION DESK.

Board meetings are televised on channel 26. For video tape copies and scheduling call (415) 557-4293.

Requests for foreign language translation at a meeting must be received by the Clerk of the Board of Supervisors at least 48 hours before the meeting. For meetings on a Monday or a Tuesday, the request must be made by noon of the last business day of the preceding week.

Disability Access

Both the Committee Room (Room 263) and the Legislative Chamber are wheelchair accessible. The closest accessible BART Station is Civic Center, three blocks from City Hall. Accessible MUNI lines serving this location are: #42 Downtown Loop, and the #71 Haight/Noriega and the F Line to Market and Van Ness and the Metro stations at Van Ness and Market and at Civic Center. For more information about MUNI accessible services, call 923-6142.

There is accessible parking in the vicinity of City Hall at Civic Center Plaza and adjacent to Davies Hall and the War Memorial Complex.

The following services are available when requests are made by 4:00 p.m. of the Friday before the Board meeting:

For American Sign Language interpreters, use of a reader during a meeting, or sound enhancement system, contact Violeta Mosuela at (415) 554-7704.

For a large print copy of agenda or minutes in alternative formats, contact Annette Lonich at (415) 554-7706.

In order to accommodate persons with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City to accommodate these individuals.

Know Your Rights Under the Sunshine Ordinance

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. The Sunshine Ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code) or to report a violation of the ordinance, contact Donna Hall; by mail to Clerk of the Board of Supervisors, 1 Dr. Carlton B. Goodlett Place, Room 244, by phone at (415) 554-7724, by fax at (415) 554-5163 or by email at Donna_Hall@ci.sf.ca.us

Citizens interested in obtaining a free copy of the Sunshine Ordinance can request a copy from Ms. Hall or by printing Chapter 67 of the San Francisco Administrative Code on the Internet, at http://www.ci.sf.ca.us/bdsupvrs/sunshine.htm

FINANCE AND LABOR COMMITTEE
S.F. BOARD OF SUPERVISORS
CITY HALL, ROOM 244
1 DR. CARLTON GOODLETT PLACE
SAN FRANCISCO, CA 94102-4689

IMPORTANT HEARING NOTICE!!!

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